
**21st National Logistics Conference & Exhibition,**
**Miami, FL**
**"Adapting Logistics Capabilities to National Security Requirements"**

**28 February - 3 March 2005**

Onsite Agenda

**Tuesday, 1 March 2005**

Industry Keynote: LTG Peter M. Cuviello, USA (Ret), Vice President and Managing Director, Focused Logistics Enterprise, Lockheed Martin Corporation

***Session 1****:* Logistics Transformation ... Achieving Knowledge-Enabled Logistics
Panel:

- Sustained Materiel Readiness, by Mr. David V. Pauling, Assistant Deputy Under Secretary of Defense for Maintenance Policy, Programs and Resources
- "Incentivizing" Industry – What Makes Us Tick, by Mr. Richard H. Wylly, Director, Government Business Development Collins Aviation Services, Rockwell Collins, Inc., USA
- Lockheed Martin - Lifetime Support Operations, by Mr. Sheldon L. Margolis, Director, Lifetime Support, Lockheed Martin Maritime Systems and Sensors

***Session 2****:* DoD Supply Chain Integration Challenges & Initiatives
Panel:

- Supply Chain Integration Challenges & Success Stories, by Mr. Andrew Jones, Vice President, Government / Defense Sector, UPS Supply Chain Solutions
- Toyota - North American Parts Operations (NAPO), by Ms. Peggy Turner, Corporate Manager, North American Parts Organization, Supply Chain Strategy, Toyota Motor Sales
- Industry's Challenge, by Mr. James G. Brunke, Vice President, General Manager, Supply Chain Services, Boeing Aerospace Support

***Session 3****:* DoD Distribution Challenges & Initiatives
Chair: Mr. Earl B. Boyanton, Assistant Deputy Under Secretary of Defense, Transportation Policy

Panel:

- Surface Deployment & Distribution Command - The Road Ahead, by BG(P) Charles W. Fletcher, USA, Commanding General, Surface Deployment and Distribution Command
- DLA-USTRANSCOM Partnership Distribution Initiatives, by Ms. Claudia "Scottie" Knott, Executive Director for Acquisition, Technical and Supply within Logistics Operations (J-3), Defense Logistics Agency
- DoD Distribution Challenges & Initiatives, by Mr. Kenneth C. Gaulden, Senior Vice President, Chief Commercial Officer, Maersk Line, Limited

**Wednesday, 2 March 2005**

Keynote: LtGen Duncan McNabb, USAF, Director for Logistics, J4, JCS

***Session 4****:* Senior Service Leader Forum
Panel:

- G-4 Logistics Update, by LTG Claude V. Christianson, USA, Deputy Chief of Staff, G-4, Department of the Army
- Attributes of Tomorrow's Success, by VADM Dan McCarthy, SC, USN, Director, Material Readiness & Logistics, N-4, Department of the Navy
- Air Force Installations and Logistics Transformation, by Lt Gen Donald J. Wetekam, USAF, Deputy Chief of Staff, Installation & Logistics, Headquarters U.S. Air Force
- Defense Logistics Agency Optimizing Today's Performance - Delivering Tomorrow's Capabilities -, by VADM Keith W. Lippert, SC, USN, Director, Defense Logistics Agency

***Luncheon Speaker****:* LTG Robert Dail, USA, Deputy Commander, USTRANSCOM

***Session 5****:* Combatant Commander Desired Operational Logistics Capabilities - Today and Tomorrow
Chair: LTG Mike McDuffie, USA (Ret), Executive Vice President & chief Marketing Officer, Telos Corporation
Panel:

- USSOUTHCOM, by BGen (P) Michael H. Lehnert, USMC, Chief of Staff, USSOUTHCOM

- USCENTCOM, by COL James E. Rogers, USA, Chief, Logistics Operation Division, USCENTCOM
- Desired Logistics Capabilities, by Mr. John Erb, Deputy Director for Strategic Logistics, The Joint Staff
- Desired Operational Logistics Capabilities, by COL Dave Mintus, USA, NORAD-US Northern Command, Deputy Director of Logistics and Engineering

***Session 6****:* Coalition Logistics Opportunities and Challenges

**Thursday, 3 March 2005**

***Session 7****:* Contractors in the Battle Space - Policy & Practice
Chair: COL Carl Cartwright, USA, Deputy Commander Army Field Support Command

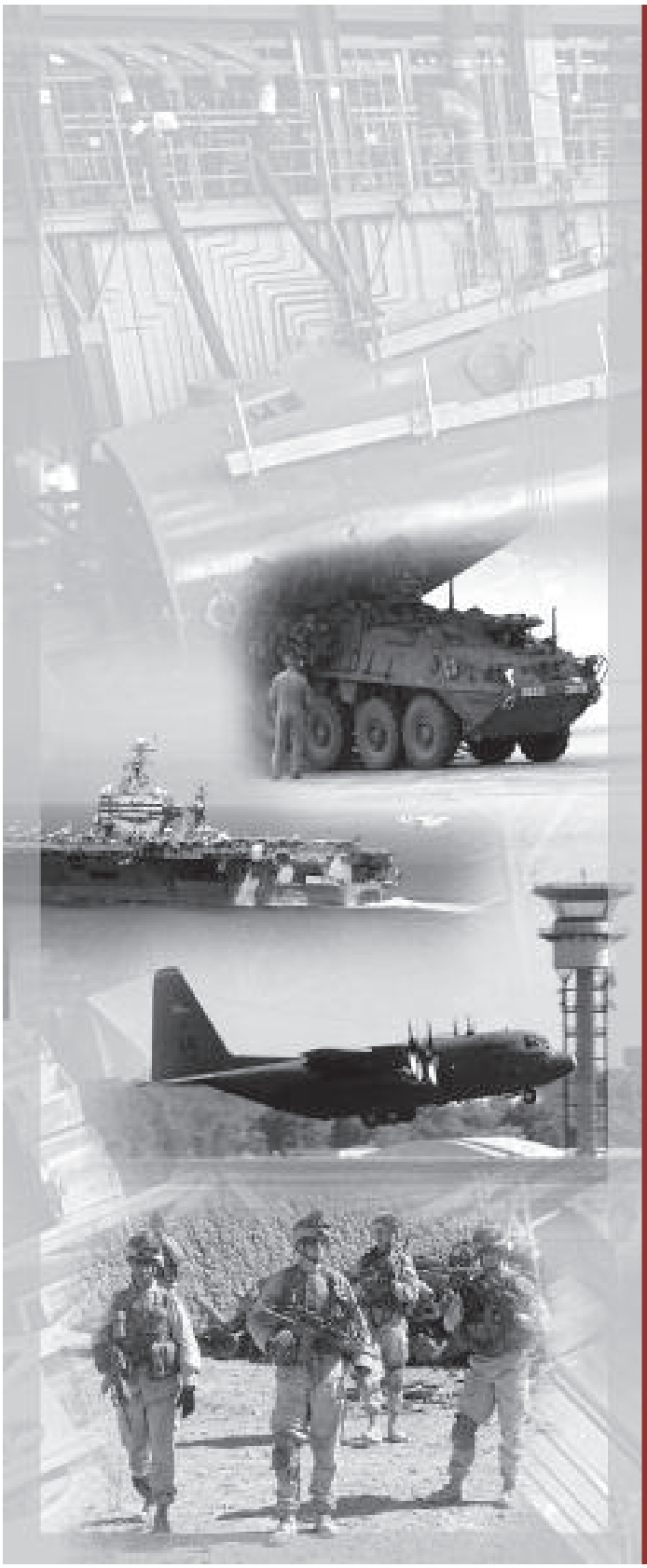
Panel:

- Contractors on the Battlefield - Problems in Perspective, by Mr. Sydney F. Martin, CEO, Sytex Group
- LOGCAP, by Mr. David W. Swindle, Vice President Acquistions, KBR Government Operations

***Session 8****:* Operational Logistics Information Technology
Government Chair: Mr. John J. Erb, Deputy Director for Strategic Logistics, The Joint Staff
Government Panel:

- The Need for Asset Visibility, by Ms. Mae E. De Vincentis, Director, Information Operations, Defense Logistics Agency
- Distribution Process Owner (DPO), by Ms. Virginia Williamson, Deputy J6, USTRANSCOM
- A Warfighter Perspective, by Col Mark Nixon, USMC, Head, Logistics Vision & Strategy Center, HQMC

Industry Chair: Lt Gen John L. Woodward, USAF (Ret), Accenture



# 21st National Logistics Conference & Exhibition

# ON-SITE AGENDA

## "Adapting Logistics Capabilities to National Security Requirements"

**February 28 - March 3, 2005**

## *CONFERENCE OBJECTIVE*

As our military continues to be engaged in the global war on terrorism and the nation continues to transform and integrate our military and first responders in National Security, the Logistics processes must be adapted to support ongoing and evolving joint and coalition missions. This requires new ideas, processes and systems to support our military personnel as well as the weapon systems they operate better, faster and more efficiently. Each of the services and our allies are addressing this global challenge in partnership with industry.

This annual event has become the premier national level forum for exchanging ideas and sharing insights into improving the supportability of our nation's Warfighters. The conference again this year brings together the senior policy officials and senior practitioners attracting high caliber government and industry. In addition, the expanded exhibit forum will showcase innovative cutting edge technology to support our 21st Century Warfighters.

During the conference, two national level awards for logistics excellence will be presented. Established in 1956 with a focus on industry, the Edward M. Greer Award stimulates thought and action of benefit to industry and the public by encouraging solutions to troublesome maintenance and integrated logistics support planning techniques. The Logistics Emeritus Award, established in 1980, will again be presented to an individual in government who has demonstrated outstanding competence and has made a substantial contribution in the field of national security logistics.

You are an important part of the Warfighter's Logistics Team that consists of industry, government, and academia representing domestic and an ever-growing number of international organizations. We share a mutual goal by seeking effective and efficient solutions to meet the needs of our soldiers, sailors, airmen and marines, our true customers. We trust each of you will carry this focus and enthusiasm back to your organizations.

Our sponsors, the National Defense Industrial Association's Logistics Management Division in conjunction with the Office of the Secretary of Defense (Acquisition, Technology and Logistics) are committed to bring you a world class forum for an exchange of ideas that will help make your organizational and business strategy a reality in the 21st Century.

***RADM James P. Davidson, SC, USN (Ret)***, Conference Chairman

### *Adapting Logistics Capabilities to National Security Requirements*

### Share Insights With

- Senior DoD Leadership
- Top Industry Executives
- Project Directors & PMs
- Information Technology Providers & Developers
- Government Policy Makers & Regulators
- Defense Contractors and Design Professionals
- Third Party Logistics Providers
- Equipment Suppliers and Manufacturers

### Sessions Include

- Logistics Transformation...Achieving Knowledge Enabled Logistics
- DoD Supply Chain Integration Challenges & Initiatives
- DoD Distribution Challenges & Initiatives
- Senior Service Leader Forum
- Combatant Commander Desired Operational Logistics Capabilities – Today and Tomorrow
- Coalition Logistics Opportunities and Challenges
- Contractors in the Battle Space - Policy & Practice
- Operational Logistics Information Technology

### Conference Committee

Edward Albritton, EDS
Cheryl Amyx, Amyx, Inc.
Jack Blalock, Altarum
Bob Burton, Amyx, Inc.
Richard Campbell, UDLP
Samuel Chappell, CSC
Jim Davidson, GMD Solutions
Deac Descoteau, Dakota Delaware
Pete Eltringham, Telos
Jay Erb, JCS J4
Michael Finley, PRTM
Joe Grosson, Locheed Martin
Steven House, Anteon
Gary Johnson, Battelle
Susan Junker, Booz Allen Hamilton
Lou Lambremont, Maersk
Mark Lane, SAP
Tom Malsack, Accenture
Christy Parker, Maersk
Frank Prabel, The Boeing Company
Larry Scheuble, CSC
Jed Shapiro, Stonepath
Anthony Stampone, ODUSD/L&MR
Lenn Vincent, CACI
Mary Ann Wagner, XIO Strategies

## 21st National Logistics Conference & Exhibition

### Monday, February 28, 2005

| | |
|---|---|
| 7:00 a.m. | On-site Registration/Exhibit Set-up/Golf Outing |
| 5:00 p.m. - 6:30 p.m. | Reception in the Exhibit Hall |

### Tuesday, March 1, 2005

| | |
|---|---|
| 7:00 a.m. | On-site Registration |
| 7:00 a.m. | Continental Breakfast in the Exhibit Hall |
| 8:00 a.m. | Conference Welcome and Overview<br>***RADM James P. Davidson, SC, USN (Ret)***, Chairman, NDIA Logistics Division, Associate, GMD Solutions, Inc. |
| 8:10 a.m. | NDIA Welcome<br>***MG Barry D. Bates, USA (Ret)***, Vice President, Operations, NDIA |
| 8:15 a.m. | Government Keynote:<br>***Honorable Michael W. Wynne***, Acting Under Secretary of Defense, Acquisition, Technology & Logistics |
| 9:00 a.m. | Industry Keynote:<br>***LTG Peter M. Cuviello, USA (Ret)***, Vice President and Managing Director, Focused Logistics Enterprise, Lockheed Martin Corporation |
| 9:45 a.m. | Break in the Exhibit Hall |
| 10:30 a.m. | **Session 1:** Logistics Transformation… Achieving Knowledge Enabled Logistics<br><br>Chair: ***Mr. Louis A. Kratz***, Assistant Deputy Under Secretary of Defense, Logistics Plans and Programs<br>Panel: ***Mr. David V. Pauling***, Assistant Deputy Under Secretary of Defense, Maintenance Policy, Programs and Resources<br>***Mr. Nicholas J. Kunesh***, Deputy Assistant Secretary of the Navy for Logistics<br>***Mr. Richard H. Wylly***, Director, Government Business Development, Collins Aviation Services, Rockwell Collins, Inc., USA<br>***Mr. Sheldon L. Margolis***, Director, Lifetime Support, Lockheed Martin Maritime Systems and Sensors |
| Noon | Awards Luncheon -<br>**Presentation of the Greer and Logistician Emeritus Awards** |

1:30 p.m. **Session 2:** DoD Supply Chain Integration Challenges & Initiatives

Chair: ***Mr. Alan F. Estevez,*** Assistant Deputy Under Secretary of Defense, Supply Chain Integration

Panel: ***Mr. James D. Hall***, Director, Studies and Analysis, OUSD (AT&L)
***Mr. Andrew Jones***, Director, Supply Chain Solutions, UPS Logistics
***Ms. Peggy Turner***, Corporate Manager, North American Parts Organization, Supply Chain Strategy, Toyota Motor Sales
***Mr. James G. Brunke***, Vice President and General Manager, Supply Chain Division, Boeing Aerospace Support

3:00 p.m. Break in the Exhibit Hall

3:30 p.m. **Session 3:** DoD Distribution Challenges & Initiatives

Chair: ***Mr. Earl B. Boyanton,*** Assistant Deputy Under Secretary of Defense, Transportation Policy

Panel: ***BG(P) Charles W. Fletcher, USA***, Commanding General, Surface Deployment and Distribution Command
***Ms. Claudia "Scottie" Knott***, Executive Director for Acquisition, Technical and Supply within Logistics Operations (J-3), Defense Logistics Agency
***Mr. Kenneth C. Gaulden***, Senior Vice President, Chief Commercial Officer, Maersk Line, Limited

5:00 p.m. - 7:00 p.m. Reception in the Exhibit Hall

## Wednesday, March 2, 2005

7:00 a.m. On-site Registration

7:00 a.m. Continental Breakfast in the Exhibit Hall

8:00 a.m. Keynote:
***Lt Gen Duncan McNabb, USAF***, Director for Logistics, J4, JCS

8:45 a.m. **Session 4:** Senior Service Leader Forum

Moderator: ***RADM James P. Davidson, SC, USN (Ret)***, Chairman, Logistics Division, Associate, GMD Solutions, Inc.

Panel: ***LTG Claude V. Christianson, USA***, Deputy Chief of Staff, G-4, Department of the Army
***VADM Dan McCarthy, SC, USN***, Director, Material Readiness & Logistics, N-4, Department of the Navy
***LtGen Richard L. Kelly, USMC***, Deputy Commandant, Installations & Logistics, Headquarters Marine Corps
***Lt Gen Donald J. Wetekam, USAF***, Deputy Chief of Staff, Installation & Logistics, Headquarters U.S. Air Force
***VADM Keith W. Lippert, SC, USN***, Director, Defense Logistics Agency

10:45 a.m. Break in the Exhibit Hall

11:45 a.m. Luncheon Speaker:
***LTG Robert Dail, USA***, Deputy Commander, USTRANSCOM

1:00 p.m. **Session 5:** Combatant Commander Desired Operational Logistics Capabilities – Today and Tomorrow

Chair: ***LTG Mike McDuffie, USA (Ret)***, Executive Vice President & Chief Marketing Officer, Telos Corporation
Panel: ***RADM Steven W. Maas, SC, USN***, J4, USNORTHCOM
***BGen (P) Michael H. Lehnert, USMC***, Chief of Staff, USSOUTHCOM
***COL James E. Rogers, USA***, Chief, Logisitcs Operation Division, USCENTCOM
***Mr. John J. Erb***, Deputy Director for Strategic Logistics The Joint Staff

3:00 p.m. Break in the Exhibit Hall

3:30 p.m. **Session 6:** Coalition Logistics Opportunities and Challenges

Chair: ***CAPT David F. Baucom, SC, USN***, Allied Command Transformation
Panel: ***Colonel Wouter Sleurink***, Netherlands Army
***Colonel Hugh Williamson***, United Kingdom Army
***Lieutenant Colonel Maurizio Mascarino***, Italian Army

4:00 p.m. Exhibit Hall Closes

6:30 p.m. Dinner Cruise aboard the Lady Windridge

## Thursday, March 3, 2005

7:00 a.m. On-site Registration and Continental Breakfast

8:00 a.m. **Session 7:** Contractors in the Battle Space – Policy & Practice

Chair: ***COL Carl Cartwright, USA***, Deputy Commander Army Field Support Command
Panel: ***COL Ainsworth Mills, USA***, Commander, DCMA Philadelphia
***Mr. Sydney F. Martin***, CEO, Sytex Group
***Mr. David W. Swindle***, Vice President Acquisitions, KBR Government Operations

9:30 a.m. Break

10:00 a.m. **Session 8:** Operational Logistics Information Technology

Government Chair: ***Mr. John J. Erb***, Deputy Director for Strategic Logistics, The Joint Staff

Panel:
***Ms. Mae E. DeVincentis***, Director, Information Operations, Defense Logistics Agency
***Ms. Virginia Williamson***, Deputy J6, USTRANSCOM
***Col Mark Nixon, USMC***, Head, Logistics Vision & Strategy Center, HQMC

Industry Chair: ***Lt Gen, John L. Woodward, USAF (Ret)***, Accenture

Panel:
***Mr. Larry D. Scheuble***, Vice President, Logistics Solutions, CSC
***Maj Gen John Barry, USAF (Ret)***, Vice President, SAP for Defense Security
***Mr. Michael P. Finn***, Senior Vice-President, Government Solutions, EDS
***Mr. Daniel Porter***, Senior Vice President, Division Group Manager, CACI

Noon: Closing Comments - Chairman

**Conference Attire:**

**The attire for the opening reception on Monday evening is business casual. The attire for the remainder of the conference is coat and tie for civilians and Class "A" uniform for military.**

## Lady Windridge Dinner Cruise
## Wednesday, March 2, 2005

**Come Join Us For a Fantastic And Remarkable Evening!**

The Lady Windridge Cruise is a perfect setting for networking opportunities while attending the 21st National Logistics Conference. You will enjoy the casual yet upscale ambiance you will find when you cruise with the Lady. This cruise is **limited to a maximum of 400** of our closest friends, so register early. **The Lady will depart at 6:30 p.m. from the Hyatt Regency Miami Hotel, and will return at 10:30 p.m.** When registering for the conference, please indicate your intent to participate in this dinner cruise by checking the "Dinner Cruise" box in the registration form. Conference attendees may also bring a guest on board for a nominal fee of $40.

Attire: Nautical Casual

## The Edward M. Greer Award

The Greer Award is presented annually to an industry individual in recognition of noteworthy contributions or meritorious service to the Department of Defense in the area of integrated logistics support engineering and its implementation in maintenance and product support. The award was established in 1956 by Greer Hydraulics, Inc., to stimulate thought and develop programs which will benefit industry and the public. The award program encourages solutions to troublesome maintenance problems or to the development of integrated logistics support planning techniques to be employed in their solution. The award is presented by the Logistics Management Division of the National Defense Industrial Association in honor of its originator, Edward M. Greer.

### *Past Recipients of the Greer Award*

**2003**-Hyman L. Shulman, Rand Corporation
**2002**-Timothy M. Raupp, Oshkosh Truck Corporation
**2001**-Carl M. Albero, American Systems Engineering Corporation LLC
**2000**-James C. Restelli, The Boeing Company
**1999**-Jack D. Garrison, Lockheed Martin Corporation
**1996**-Curtis B. Barton, Raytheon Company
**1995**-W. B. "Zim" Zimmerman, Lockheed Martin
**1994**-John B. Tiller, Raytheon Company
**1993**-R. Noel Longuermare, Westinghouse Electronics Systems Group
**1992**-William E. Rogers, Martin Marietta (Posthumously)
**1991**-Donald B. Hall, Logistics Management Engineering Inc.
**1990**-Russell A. Van de Steeg, Hughes Aircraft
**1989**-Thomas H. Roberts, Lockheed Electronics Company
**1988**-Harold B. Stromfeltz, Northrup Grumman Company
**1987**-Edwin L. Curll, Westinghouse Electronics Corporation
**1986**-Siegfried Goldstein, Siegfried Enterprises, Inc.
**1985**-Ralph H. Shapiro, Hughes Aircraft Company
**1984**-Richard L. Hale, Westinghouse Electric Corporation
**1983**-Ernest H. Manuel, ITT Corporation
**1982**-Vernon E. Teig, McDonnell Aircraft Corporation
**1981**-Richard D. Webster, Westinghouse Electric Corporation
**1980**-Joseop R. Garafolo, Hughes Aircraft Company
**1979**-George Beck, Jr., Westinghouse Electric Corporation
**1978**-Barry J. Shillito, Teledyne, Incorporated
**1977**-Walter C. Klass, McDonnell Douglas Astronautics
**1976**-Paul M. Boyer, Westinghouse Electric Corporation
**1975**-Donald R. Earles, Raytheon Company
**1974**-Edwin R. Fallon, Jr., Logistics Management Engineering
**1973**-Reynold R. Gardner, Hughes Aircraft Company
**1972**-John W. Breehl, Grumman Aerospace Corporation
**1971**-John E. Losee, McDonnell Douglas Corporation
**1970**-James L. Carpenter, Jr., Martin Marietta Corporation
**1969**-Fred T. Carlson, The Boeing Company
**1968**-Jay E. Reddicks, Hughes Aircraft Company
**1967**-Richard R. Hagland, Collins Radio Company
**1966**-Robert N. Johns, Douglas Aircraft Company
**1965**-Douglas Aircraft Company, Inc.
**1964**-A. C. Martin, Westinghouse Electric Corporation
**1963**-North American Aviation, Inc.
**1962**-Dr. E. T. Ferraro, General Precision, Inc.
**1961**-P. N. Jansen, Sr., The Boeing Company
**1960**-Hughes Aircraft Company
**1959**-B. Edelman, Western Electric Company

**Dr. David Spong**
**Immediate Past President, Aerospace Support,**
**Boeing Integrated Defense Systems**
**Recipient of the 2004**
**National Defense Industrial Association**
**Greer Award**

Dr. David Spong recently retired as president of Aerospace Support for Boeing Integrated Defense Systems. His primary responsibilities included overall management of the organization, and developing and implementing innovative, integrated support programs for a wide variety of Boeing and non-Boeing aerospace platforms around the world.

Prior to this assignment, Dr. Spong served as vice president and general manager of U.S. Air Force Airlift and Tanker Programs for Boeing Military Aircraft and Missile Systems in Long Beach, Calif. In this position, he was responsible for the business, technical and production operations of the C-17 Globemaster III transport program and other Boeing military transport and tanker programs. In addition, he oversaw the activities of Boeing Aircraft and Missile units in Palmdale, Garden Grove and Long Beach. While Dr. Spong held this position, Airlift and Tanker Programs received the 1998 Malcolm Baldrige National Quality Award for manufacturing. In addition, he also received the California Governor's Golden State Quality Award for management in 1996. Its Macon, Ga., facility received the Georgia Governor's Employer of the Year Award in 1998.

Dr. Spong joined McDonnell Douglas in 1964, and held management positions in several projects in St. Louis, including the F-4, F-15 and Advanced Tactical Fighter aircraft programs, technology development and special projects. He was the McDonnell Douglas program manager at Northrop Grumman and deputy chief engineer for the Advanced Tactical Fighter, which was developed jointly by Northrop Grumman and McDonnell Douglas. He later served as chief engineer and deputy program manager for the C-17 program and was promoted to vice president and general manager of that program in February 1997.

Prior to joining McDonnell Douglas, Dr. Spong was with Curtiss-Wright Corporation. Dr. Spong holds a bachelor's degree in engineering from London University. He earned a master's degree in engineering from the University of Missouri and a doctorate of science in engineering from Washington University in St. Louis. He is an Associate Fellow of the American Institute of Aeronautics and Astronautics and a member of the National Defense Transportation Association.

Dr. Spong was born Sept. 23, 1938, in the United Kingdom.

## The Logistician Emeritus Award

The Logistician Emeritus Award is presented to an individual who has demonstrated outstanding competence and has made a substantial contribution in the field of national security logistics while serving in a governmental position. The award was established by the Logistics Management Division in 1980 as a means of recognizing deserving individuals.

### *Past Recipents of the Logistician Emeritus Award*

| | |
|---|---|
| 2004 | LTG Charles S. Mahan, Jr., USA (Ret) |
| 2003 | LTG Roy E. Beauchamp, USA (Ret) |
| 2002 | LTG Mike McDuffie, USA (Ret) |
| 2001 | Mr. James B. Emahiser, DoD (Retired) |
| 2000 | Maj Gen John F. Phillips, USAF (Ret) |
| 1999 | Mr. Eric A. Orsini, DASA (Logistics) |
| 1998 | GEN William G. T. Tuttle, Jr., USA (Ret) |
| 1988 | Mr. Richard G. Bruner, Former Executive Director, DLA |
| 1987 | Maj Gen Monroe T. Smith, USAF (Ret) |
| 1986 | Mr. Edwin Greiner, U.S. Army Materiel Command |
| 1985 | ADM Isaac C. Kidd, Jr., USN (Ret) |
| 1984 | RADM Duncan P. McGillivary, USN (Ret) |
| 1983 | Maj Gen Graham W. Rider, USAF (Ret) |
| 1982 | Maj Gen Martin C. Fulcher, USAF (Ret) |
| 1981 | Lt Gen George Rhodes, USAF (Ret) |
| 1980 | LTG Joseph M. Heiser, USA (Ret) |

**Vice Admiral Gordon S. Holder, USN (Ret),**
**Principal, Booz Allen Hamilton, Inc.**
**Recipient of the 2005**
**National Defense Industrial Association**
**Logistician Emeritus Award**

Gordon Holder spent more than 36 years in the US Navy, retiring as a Vice Admiral in October 2004. He is currently employed as a Principal by Booz Allen Hamilton Inc in McLean Virginia. Graduating from Florida State University in 1968, Vice Admiral Holder received his commission in October 1968 from Officer Candidate School in Newport, Rhode Island. His first assignment was to USS William C. Lawe (DD 763) in Jacksonville, Florida as First Lieutenant and Combat Information Center Officer. Subsequent sea tours were in USS BRUMBY (DE 1044) as Operations officer, USS BOULDER (LST 1190) as Engineer officer, and USS Hermitage (LSD 34) as Executive officer. Command at sea tours were in USS Inflict (MSO 456), USS Whidbey Island (LSD 41), and USS Austin (LPD 4).

Selected for flag officer in December 1993, Vice Admiral Holder was assigned as Commander Naval Base Pearl Harbor and Commander Naval Surface Group Middle Pacific in September 1994. Subsequently, he was assigned as Commander Naval Doctrine Command and Commander Amphibious Group TWO in Norfolk, Virginia. In 1999, Vice Admiral Holder assumed command of Military Sealift Command with headquarters in Washington DC. In this assignment, he was responsible for all the civilian operated ships, both government owned and commercially contracted, for the US Navy and US Transportation Command. He directed world wide operations of over 200 ships with an annual budget of $2 billion dollars.

In September 2001, Vice Admiral Holder was reassigned as Director for Logistics, Joint Staff, Pentagon, and Washington DC. In this role, he directed the world-wide application of strategic logistics to support the Global War on Terrorism. Supporting all regional commanders around the world, he ensured timely support to operations, and that the proper balance between efficiency and effectiveness was maintained in delivering the necessary combat support to deployed forces. Throughout Operation Enduring Freedom and Operation Iraqi Freedom, Vice Admiral Holder coordinated the transportation of forces and support materials with the US Transportation Command, individual services and the Joint Chiefs. In addition, with his staff, he maintained an energetic focus on driving change in the strategic logistics business. A strong advocate of total asset visibility, Vice Admiral Holder was instrumental in deploying radio frequency identification devices (RFID) to the Central Command theater to ensure necessary asset visibility.

Vice Admiral Holder and his wife, Pat, currently live in Falls Church, Virginia. They have two married daughters, Ann Marie Harvin of Milwaukee, Wisconsin, and Jennifer Gomer of Jacksonville, Florida. They are also the proud grandparents of their first grand child — Laira Stallings Gomer. Vice Admiral Holder made a unique and lasting contribution to national security in war and peace both as a Naval warrior and joint service logistician. His most recent performance was summed up by General Peter Pace, Vice Chairman of the Joint Chiefs of Staff, upon VADM Holders retirement …"There have been two unsung heroes during OIF and OEF…USTRANSCOM and the Joint Staff J4 (personified by Gordon Holder) without their efforts, we would not have been able to accomplish our national objectives"

The National Defense Industrial Association is proud to recognize VADM Gordon Holder as the 2005 Logistician Emeritus.


Accenture is a global management consulting, technology services and outsourcing company, with net revenues of $13.7 billion for the fiscal year ended August 31, 2004. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments.

A trusted strategic advisor, Accenture is positioned to help our Department of Defense clients meet rising performance demands. Our approach blends commercial leading practices with emerging capabilities from both the public and private sectors. And, by offering a combination of custom development and commercial off-the-shelf (COTS) software, we can help you find cost-effective solutions that produce immediate, measured results.

We'll help you customize private sector capabilities to your specific requirements by committing a team of experienced professionals who have deep knowledge of relevant defense practices. We understand that, in many cases, the US military has requirements with no commercial parallel. This is why we have a core team of experienced personnel who are exclusively focused on DoD customer needs.

Our approach is based on our ability to mobilize a broad and deep network of global resources and alliance partners. While we have alliances with most major technology providers, we are careful to remain product independent – creating the best solutions based on our clients' specific needs. And, because our expertise spans all stages of a program life cycle, we can come in at any phase of your project, stay for its entire life cycle or assist in limited stages.

Our goal is to help our defense clients reach new heights of performance through better decision making and improved information sharing in today's dynamic environment. From the warfighting "tooth" to the support function "tail," Accenture powers your mission.

For more information, please visit www.accenture.com.


Anteon is a leading provider of information technology solutions and advanced engineering services to government clients. Headquartered in Fairfax, Virginia, we have a 29 year corporate history marked by continual growth in revenue and customer base. We currently have approximately 8,700 employees at over 100 offices serving more than 1,000 customers worldwide. Revenue for 2004 exceeds $1.42 billion. We are led by a senior management team whose members average over 20 years of management experience and nearly eight years of tenure with Anteon.

Information Technology and Systems Engineering Solutions and Services are our core business focus areas. Within those areas we design, integrate, maintain and upgrade state-of-the-art systems for national defense, intelligence, emergency response and other high priority government missions. We also provide many of our government clients with the systems analysis, integration and program management skills necessary to manage their mission systems development and operations.

Our Software Solutions Center has achieved Software Engineering Institute (SEI) CMM Level 3 certification and many of our divisions have achieved ISO 9001 certification. Our primary customer is the Federal government. We provide support to all military services, the Department of Defense, nearly all cabinet level agencies and numerous other civilian and defense agencies within the government.

Prestigious awards received by Anteon such as the Cogswell, Hammer, Nunn-Perry and being rated as one of the Top Contractors by a number of major publications serve as a testament to our success. Our strong internal growth rate (over 15%) coupled with our successful acquisition strategy enabled us to grow from $109 million in revenue in 1996 to over $1.42 billion in 2004. Anteon frequently ranks among the top information technology integrators based on independent surveys, including being named one of the world's top IT companies in BusinessWeek's INFO TECH 100 Annual Report (2003).


BearingPoint, Inc. (NYSE:BE) is one of the world's largest business consulting, systems integration and managed services firms. BearingPoint has a solid record of helping public sector organizations worldwide drive real results. In the U.S, BearingPoint's Public Services group:

- Ranks #14 among System Integrators in Washington Technology's 2004 Top 100 Federal Prime Contractors in Information Technology list, and

- Serves all 15 Cabinet-level departments of the Federal Government.

With teams supporting all service branches of the Department of Defense (DOD) as well as DoD Agencies, BearingPoint understands the current challenges in providing logistics support to evolving joint and coalition missions around the world and the resulting impact on warfighter readiness in the 21st century. We provide a range of solutions to meet these challenges from supply chain strategy to advance planning systems and product lifecycle management, as well as RFID solutions- all of which will enable DoD to address these challenges.

BearingPoint's solutions are based on years of experience helping the warfighter with critical initiatives to improve logistics support and responsiveness from factory to foxhole. Current areas supported include Performance-based Logistics (PBLs), RFID demonstrations, Strategic Sourcing and Supplier Alliances, and various Industrial Base Assessments. These solutions leverage our years of industry-specific experience and are designed to help clients reduce logistics response time, improve visibility of assets in the supply chain, and generate savings for the warfighter.

To learn more about how we can help your organization, contact us at:

1-866-BRNGPNT
www.bearingpoint.com/publicservices
publicservices@bearingpoint.com


Within our market, Boeing Aerospace Support is unique; it develops and delivers innovative products and services that reduce life-cycle cost and increase the effectiveness of aircraft and missiles systems through an integrated organization that pulls together the strengths of the company focused around six market-facing segments, focused in six areas:

- **Maintenance, Modifications and Upgrades:** Fast-cycle time and affordable aircraft services through specialized maintenance and modification centers. Large-scale systems integration expertise to develop flexible, affordable avionics suites, systems upgrades, re-engining programs and other modernization initiatives.

- **Supply Chain Services:** Spares and repairs products and services for military aircraft and weapons, including development and application of inventory management techniques, technical publications support and data management systems.

- **Engineering and Logistics Services:** Personnel support services performed on location, including maintenance and engineering support, as well as comprehensive, affordable contractor logistics support to aircraft programs.

- **Training and Support Systems:** Aircrew and maintenance simulation devices and instructional systems, networked devices, classroom and cockpit instructor, courseware development and logistics support of training devices, as well as affordable, innovative ground support equipment.

- **Advanced Logistics Services:** Broad, tailored, performance-based programs and network-centric logistics solutions based on new technology and business models to significantly improve readiness and affordability.

- **Boeing Australia Limited:** Total life cycle support of military aerospace systems for its primary customer, the Australian Defence Force. Provides program management; aircraft production; modification and upgrades; aircraft maintenance; integrated logistics and through-life support; and systems engineering.

We are a geographically and culturally diverse organization, with management offices and operations in St. Louis, Mo., and a workforce of 13,000 people positioned around the globe in support of our major operations in Wichita, Kan.; San Antonio, Tex; Long Beach, Calif.; Jacksonville, Fla.; Philadelphia, Penn; Mesa, Ariz.; Fort Walton Beach, Fla.; Oklahoma City, Okla.; Australia and the United Kingdom.

Booz | Allen | Hamilton

90 years delivering results that endure

Globalization, budget constraints, multiple contingencies, long-term engagements, new technologies, "joint" war fighting focus, contractor and coalition partnership, global repositioning, aging assets, risk management; all challenges to DoD's logistics community with simultaneous mandates for improving DoD supply chain integration and management.

The U.S. faces dangerous new adversaries and the armed services must be able to anticipate uncertainty and move swiftly. Response to these changing needs requires a flexible force that can immediately react to these threats with a robust, visible, and scalable supply chain to ensure efficient and effective support to the joint forces and our civilian and coalition partners.

Booz Allen Hamilton has made support for national defense a core mission since 1940, when founding partner Edwin Booz helped the U.S. Secretary of the Navy gear up for World War II. Working across the defense community since then, Booz Allen has helped DoD support organizations and commercial businesses meet their logistical and supply chain challenges.

Booz Allen Hamilton's offerings in Supply Chain Management (SCM) enable the DoD to develop strategies that integrate management of the players in a supply chain - suppliers, manufacturers, distributors, and customers - meeting joint force needs while reducing costs.

Booz Allen offers a unique combination of commercial and government management consulting and technology expertise. Since the introduction of the SCM concept in a 1982 *Financial Times* article authored by Keith Oliver of Booz Allen, not only has the definition expanded, but our capability to address both the commercial and government supply chain challenges has expanded. We assist clients based on key SCM principles: 1) Setting supply chain policies strategically; 2) analyzing trade-offs holistically; and 3) employing cross-functional support systems - balanced against customer expectations.

Booz Allen applies an outcome-based, strategic approach to the supply chain, understanding the complex management required. Starting from the client's business strategies, helping frame a vision for the future, and defining the steps to get there, we craft a unique, appropriate asset configuration for the client.

Booz Allen works in multiple industries across the globe to help clients realize tangible performance improvement in their supply chains - and build the self-sustaining capabilities that ensure these results endure.


EDS provides a broad portfolio of business and technology solutions to help its clients worldwide improve their business performance. EDS' core portfolio comprises information technology (IT), applications and business process services, as well as IT transformation services. EDS' A.T. Kearney subsidiary is one of the world's leading high-value management consultancies.

With some 120,000 employees worldwide, EDS supports the world's leading companies and governments in 60 countries. Our 2003 revenues of more than $20 billion ranked 87th on the Fortune 500.

All successful enterprises continuously look for new ideas, tools and processes to help them grow. They want to see beyond the next curve in the road so they can prepare for market and industry changes and outsmart their competition.

EDS helps businesses and governments around the world do just that. By applying proven business and technology solutions, we help them manage the complexity of their current environment – and prepare for the business changes to come. We help them improve business processes; put the best applications in place to meet the needs of their employees, constituents and customers; and access agile infrastructures that grow and change with them.

All of EDS' services are complementary and flexible. They work alone or together to help our clients solve specific business problems or transform their entire enterprise. And with best-in-class software and technology partners – EDS created the industry's first alliance to build the next-generation IT service delivery platform. The EDS Agility Alliance combines brainpower, research and development (R&D), and market reach to develop the company's Agile Enterprise Platform.

This platform is the foundation of EDS' next-generation global delivery system. It provides a flexible technology foundation to help clients respond quickly to changing market dynamics and increase their competitiveness.

Cisco, Dell, EMC, Microsoft, Sun Microsystems and Xerox are the initial members of the alliance. The group combines the collective resources of companies with more than $150 billion in total annual revenue and $13.6 billion in combined R&D development spending. With more than 40 years of industry and technology experience, EDS brings confidence and know-how to meet our clients' needs on a global basis.


Lockheed Martin is a customer focused, global enterprise principally engaged in the research, design, development, manufacture and integration of advanced technology systems, products, and services for government and commercial customers. Lockheed Martin operates in the same context as its customers and is deeply involved in solving the problems and meeting the demands and expectations of its customers. Moreover, it leads the way in showing customers new systems-based possibilities and opportunities.

The Corporation's core business areas are: Electronic Systems, Aeronautics, Space Systems, Technology Services and Integrated Systems & Solutions. Lockheed Martin's vision is to be the world's best systems integrator in aerospace, defense and technology services; to be the company our nation and its allies trust most to integrate their largest, most complex, and most important advanced technology systems. Our goal is to provide the best value to our customers, growth opportunities to our employees, and superior returns to our stockholders.

Lockheed Martin recently formed the Focused Logistics Enterprise (FLE) with LTG Peter Cuviello, USA (Ret) as its managing director. The FLE is coordinating enterprise logistics business across all business areas of the corporation.

Headquartered in Bethesda, Md., Lockheed Martin employs about 130,000 people worldwide and is principally engaged in the research, design, development, manufacture integration and sustainment of advanced technology systems, products and services. The corporation reported 2004 sales of $35.5 billion.


**Company Overview**

Northrop Grumman Corporation is a global defense company headquartered in Los Angeles, California. Northrop Grumman provides technologically advanced, innovative products, services and solutions in systems integration, defense electronics, information technology, advanced aircraft, shipbuilding and space technology. With more than 125,000 employees, and operations in all 50 states and 25 countries, Northrop Grumman serves U.S. and international military, government and commercial customers.

Seven business sectors comprise Northrop Grumman:

**Electronic Systems**
Our Electronic Systems sector is a world leading provider of airborne radar, navigation systems, electronic countermeasures, precision weapons, airspace management systems, space systems, marine and naval systems, communications systems, government systems and logistics services.

**Information Technology**
Our Information Technology sector delivers full life-cycle solutions that meet mission, enterprise and infrastructure needs in information systems and services; C4ISR; strategic security; engineering and science; training and simulation; base and range operations; and enterprise IT solutions and products.

**Integrated Systems**
Our Integrated Systems sector designs, develops, produces and supports network-enabled integrated systems and sub-systems for U.S. government, civil and international customers. It also supports the military with intelligence, surveillance and reconnaissance; battle management command and control; and integrated strike warfare.

**Mission Systems**
Our Mission Systems sector is a leading global integrator of complex, mission-enabling systems and services. The sectors technology leadership spans command, control and intelligence systems; missile systems and technical and management services.

**Newport News**
Our Newport News sector is the nation's sole designer, builder and refueler of nuclear-powered aircraft carriers and one of only two companies capable of designing and building nuclear-powered submarines. The sector also provides services for a wide array of naval and commercial vessels.

**Ship Systems**
Our Ship Systems sector is one of the nation's leading full service systems companies for the design, engineering, construction, and life cycle support of major surface ships for the U.S. Navy, U.S. Coast Guard and international navies, and for commercial vessels of all types.

**Space Technology**
Our Space Technology sector develops a broad range of systems at the leading edge of space, defense and electronics technology. The sector is a leading developer of military and civil space systems, satellite payloads and advanced technologies from high-power lasers to high-performance microelectronics.

The U.S. Army, U.S. Navy, the Defense Logistics Agency, and other defense organizations are using SAP's solutions to accomplish their mission, manage their assets, reduce costs, streamline operations, and significantly improve their business processes. SAP, the world's leading provider of business software solutions, serves the U.S. defense and civilian agencies through its subsidiary, SAP Public Services, Inc. based in Washington, D.C.

Within DoD, major transformation is underway. Business operations and systems are being modernized to meet acquisition, supply, inventory, medical, transportation, property, personnel, and financial requirements. Leading commercial practices are being applied to improve business processes and to create adaptive operations. Systems and processes that are not integrated or interoperable are being eliminated or consolidated.

Several programs in the Army, the Defense Logistics Agency, and the Navy have selected and are implementing SAP as their software solution to help prepare and support the warfighter in the field. SAP is being used by the Army Materiel Command's Logistics Modernization Program (LMP), the PEO EIS Global Combat Support System-Army (GCSS-A), the U.S. Army Medical Materiel Agency (USAMMA), and the Armaments Research, Engineering and Development Center's eNOVA project at Picatinny Arsenal. The U.S. Navy is using SAP for weapon systems program management, aviation maintenance management and supply chain management, and working capital financial management.

SAP's defense customers are benefiting from adopting relevant best practices from government and commercial enterprises in the U.S. and worldwide. SAP has software solutions that can address requirements in Enterprise Resource Planning, Supply Chain Management, Product Life Cycle Management, Supplier Relationship Management, and Customer Relationship Management. SAP solutions for Defense are specifically designed for accounting, finance, logistics, installation and environmental, acquisition, human resource management, strategic planning and budgeting, and technical infrastructure including Mobile Infrastructure and Master Data Management.

Today, more than 25,000 customers in over 120 countries run more than 84,000 installations of SAP® software. Customers include the U.S. Department of Defense, U.S. Department of Homeland Security, Australian Defense, Canadian Defense, and New Zealand Defence Force as well as defense contractors including; Lockheed Martin, Northrop Grumman, Pratt & Whitney, Honeywell, Rockwell Collins, and Raytheon.

SAP Public Services, Inc.

Ronald Reagan Building International Trade Center

1300 Pennsylvania Ave., N.W.

Suite 600

Washington, D.C. 20004

+1 202-312-3500

www.sap.com/defense

**Telos Corporation** has been providing innovative IT solutions to government agencies and commercial organizations for more than 30 years. We serve defense and federal agencies by combining COTS and GOTS hardware and software from the leading manufacturers with superior professional services in order to deliver solutions that meet your requirements. Telos' capabilities include:

- Government-validated enterprise security solutions
- Systems engineering and integration
- Engineering management
- Network design and deployment
- Business process automation
- Application integration
- Logistics planning and management
- Equipment staging and provisioning
- Shipping and warehousing
- Outsourced and managed applications
- System testing and diagnostics
- Assembly and integration facilities
- 24x7x365 help desk, field support, warranty and maintenance service

**Worldwide Integration Capabilities**

Telos has the global experience with integration engagements to anticipate and address the requirements of defense and federal agencies of any scope. We can go anywhere and accommodate any requirement, in engineering, network design, integration, sales and distribution. Our headquarters in the Dulles technology corridor of suburban Washington, D.C., includes a 67,000-square-foot assembly and integration area and warehouse facilities. We have the capacity, space, and equipment as well as the experienced personnel needed to deliver solutions on schedule and on budget.

**Xacta: Solutions that Empower and Protect the Enterprise**

Xacta Corporation is Telos' subsidiary for government-validated secure enterprise solutions. Telos is the exclusive federal supplier of Xacta's industry-leading secure enterprise solutions, which include:

- **Xacta IA Manager,** the company's flagship enterprise software for automating and streamlining tasks associated with certification and accreditation and IT risk assessment and compliance
- **T security consulting and implementation services** on both a firm-fixed price and time and materials basis
- **Secure enterprise messaging solutions** that provide automated, Web-based distribution and management of organizational messaging across commands and agencies
- **Secure wireless solutions** such as flightline maintenance that extend the reach of enterprise networks beyond offices and other wired facilities
- **Enterprise credentialing solutions**, including the RAPIDS program, the world's largest smart card implementation

For more information: Toll-free: 1-800-70-TELOS
Web: www.telos.com

## Golf Tournament Sponsor:


Maersk Line, Limited is a global, comprehensive provider of logistics, maritime and transportation services to U.S. government agencies and their prime contractors. We combine the expertise and intermodal network of our parent company, A.P. Moller-Maersk—one of the world's largest and most experienced shipping concerns—with industry-leading technology to meet the performance objectives of our customers.

Based in Norfolk, Virginia, we have provided the U.S. Government with transportation and maritime services for more than 40 years, including every major military operation from the Vietnam War to those now underway in Afghanistan and Iraq. Our supply chain management and product support capabilities have been honed through decades of partnership between our parent company and such leading firms as Wal-Mart, Target, and Staples.

Maersk Line, Limited consists of five business units:

- Integrated defense logistics
- U.S. flag liner services
- Vessel lifecycle management
- Specialized vessel management
- Contract vessel management

Maersk Line, Limited's integrated defense logistics business unit provides the U.S. Government with comprehensive supply chain management services throughout the world. Through the use of industry-leading technology, transportation management and inventory control—as well as our significant commercial experience—we serve as the lead logistics provider in enabling our customers to achieve measurable performance targets, while reducing their operational costs.

For more information, please visit our website at www.maersklinelimited.com.

Point of Contact: Michael Strang
703-351-0106
mstrang@mllnet.com

**Don't forget to register for the UID/RFID SEMINAR**
**Immediately following the Logistics Conference & Exhbition**
**Hyatt Regency Miami Hotel, Miami, Florida**
**March 3 - 4, 2005**

**Description:**

**Unique Identification/Radio Frequency Identification (UID/RFID) Seminar:**

The National Defense Industrial Association (NDIA) and the Defense Acquisition University (DAU) are undertaking a broad campaign to ensure that defense industry suppliers are aware of their responsibilities associated with two recent mandates issued from OSD, AT&L. It is estimated that over 43,000 DoD suppliers are impacted by the recent mandates for Unique Identification (UID) and Radio Frequency Identification (RFID). UID/RFID Seminars are being scheduled at various dates and venues across the U.S. in an effort to ensure that defense industry companies and their supply chains are aware of the new requirements and the associated implementation timelines.

Representatives of Defense Acquisition University and the Defense Contract Management Agency will provide in-depth coverage of the UID policy and its implications for defense suppliers (primes and subs), DFARS rules associated with implementation of the policy, and the required use of Wide Area Work Flow to transmit UID data. Defense industry representatives will describe their companies' strategies for implementing UID and share lessons learned. Selected UID vendors will display products and services currently available on the commercial market place to assist DoD suppliers in meeting UID implementation requirements.

In response to previous seminar participant suggestions, the UID/RFID Seminar has been expanded to one and one-half days to provide more extensive coverage of RFID technologies and applications. NDIA is proud to announce that Productivity by RFID, a leading RFID consultant, integrator, and educator has joined its UID/RFID Seminar team to coordinate a full-day RFID agenda. Productivity by RFID will employ leading vendors of RFID technologies and applications to provide education-oriented presentations designed to aid defense suppliers in determining their RFID needs. A DoD representative will brief the RFID policy and implementation timelines required for compliance by all DoD suppliers. Static displays and live demonstrations of RFID technologies and applications will further enhance the seminar participant's understanding of how RFID can be employed to create efficiencies and reduce costs simultaneously with meeting DoD RFID implementation mandates.

*Who should attend?*

Department of Defense suppliers and those interested in improving the productivity of their Manufacturing and Distribution operations with RFID.

**Executive Management**

- CEO, CIO, CTO
- President, General Manager, Business Unit Manager

**Operations and Plant Management**

- VP Operations, Operations Director
- Plant Manager
- Distribution Center Manager

**Productivity Professionals**

- VP Engineering, Engineering Manager
- Manager of Productivity, Productivity Engineer
- Process Engineer, Plant Engineer, Industrial Engineer,

**Project Engineers**

**Information Technology Professionals**

- IT, IS, or MIS Manager

## Conference Promotional Partners:











**Golf Tournament Sponsor:**

# DoD Distribution Challenges & Initiatives

## NDIA 21st National Logistics Conference & Exhibition

**Earl Boyanton | Assistant Deputy Under Secretary of Defense (Transportation Policy) Logistics and Materiel Readiness | Office of the Secretary of Defense**

**March 1, 2005**
**Miami, FL**

# Agenda

| ***Panelist*** | ***Focus*** |
| --- | --- |
| **Earl Boyanton** | **Overview** |
| **Ms. Scottie Knott** | **DLA Warfighter Support** |
| **BG(P) Charles Fletcher** | **Surface Deployment & Distribution** |
| **Ken Gaulden** | **Commercial Partner** |

# Transformation is a requirement, not a goal

**"To win the global war on terror, the armed forces simply have to be more flexible, more agile, so that our forces can respond more quickly. "**

**United States Secretary of Defense Donald Rumsfeld, March 6, 2003**

**The static approaches of the Cold War are obsolete**

# Comparison Matrix

| Chain Segment | Commercial Equivalent? | Inventory Features | Flow Features |
|---|---|---|---|
| Commercial Commodities | ▪ Sears<br>▪ Wal-Mart<br>▪ True-Value | ▪ $12 B<br>▪ Fast moving<br>▪ Vendor | ▪ High<br>▪ Continuous<br>▪ One way |
| Major System<br>▪ End items<br>▪ Repairable components | ▪ GE turbine<br>▪ Caterpillar dealer<br>▪ IBM mainframe | ▪ $66 B<br>▪ Slower moving<br>▪ Higher value<br>▪ Readiness critical | ▪ Lower<br>▪ System dependent<br>▪ Two way |
| Deployed Forces | ▪ **NONE** | ▪ Varies situation & commodity<br>▪ Thin safety stocks | ▪ Enormous<br>▪ Intermittent<br>▪ Multi-Directional |

**Comparisons with commercial shippers understate the complexity of DOD logistics**

# Defense Transportation Coordination Initiative

- **"As Is"**
  - **Thousands of autonomous DoD CONUS shippers and destinations**
  - **Multiple information systems**
  - **No centralized planning, coordination, or control**
- **"To Be" – Nationwide Coordinator**
  - **Leverage proven processes and supporting IT, commercial capabilities, and best practices**
  - **Develop a new business model for the movement of domestic freight shipments**
- **Improve service with corollary dollar savings**

**Today's freight distribution systems & processes will not be adequate to meet the needs of tomorrow's Warfighter**

# The Way Ahead

- ✓ **Active Process Management (APM)**
  - **Supply Chain tool – sense and respond to anomalies**
  - **Pilot project succeeded – keeper!**
- ✓ **Continuous Improvement (CI) initiatives**
  - **LEAN, Six Sigma, "The Toyota Way"**
  - **Depots, shops, distribution system**

**Operational Improvement through Best Practices – with Savings**

# Private Sector Contribution

**> 90% of our traffic is moved via commercial partners**


Continental

LANDSTAR

OAI

FedEx

WORLD AIRWAYS

CSX TRANSPORTATION

NORTHWEST

DHL

SCHNEIDER NATIONAL

ups

UNION PACIFIC

APL

MAERSK SEALAND


Industry's Challenge
James G. Brunke
Vice President, General Manager
Supply Chain Services
Boeing Aerospace Support
BOEING

# *Supply Chain Services*

***Why I have gray hair !***

- over 30,000 contracts
- ~ $2B in sales + $2B “in house” support
- > 1.5 million parts delivered annually
- 1,500 + suppliers around the globe
- operations in 154 countries
- support a global fleet of over 9,000 platforms
  - ***some in service for over half a century***
  - ***each a little different than its siblings***
  - ***all require individualized attention***

BOEING

# The Business Challenge

Optimize

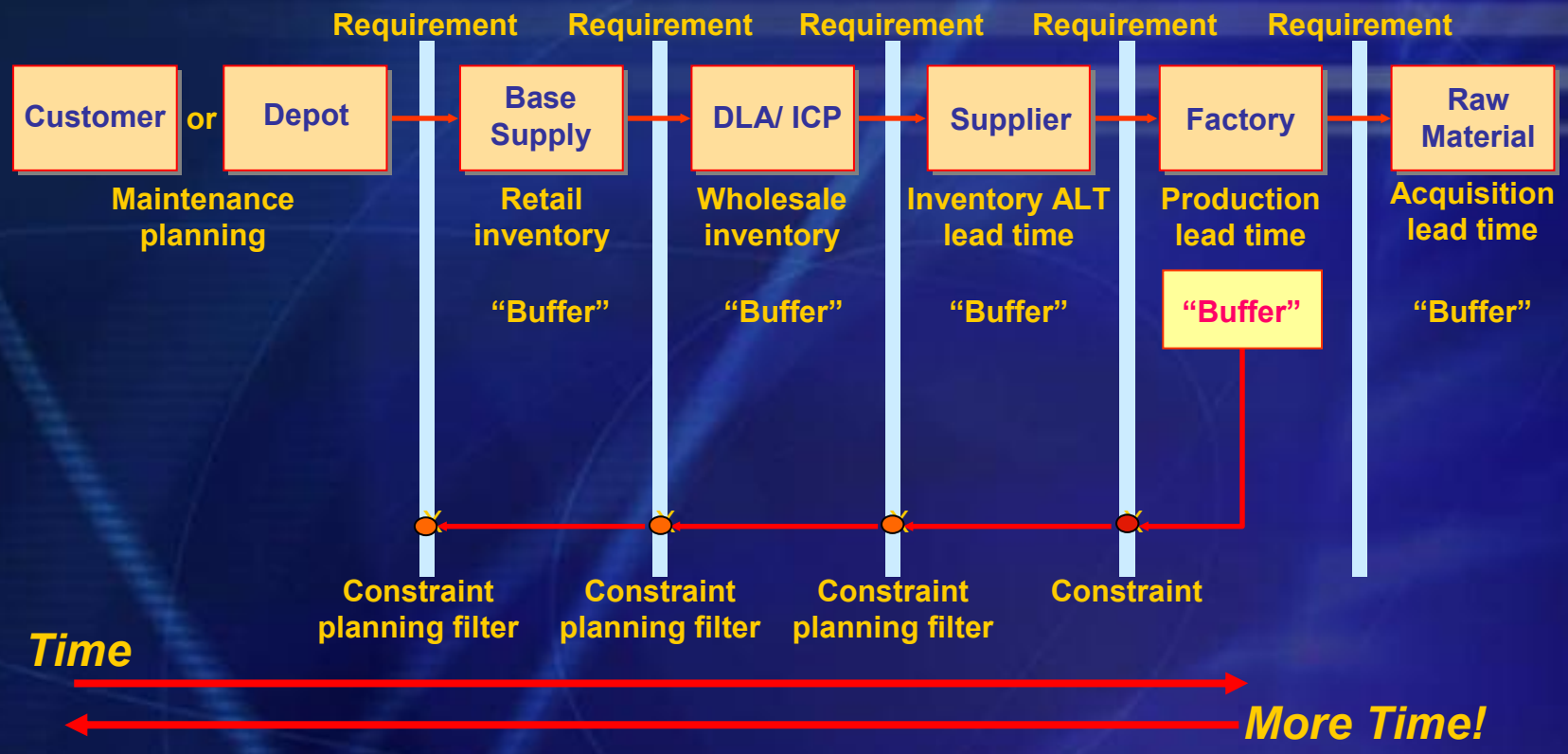
# *Traditional Business*

## *Requires -*

- a reduction in the number of contracts
- improved forecasting – for everyone!
- access to relevant information
- identification of roadblocks that inhibit information velocity
- continued focus on solutions for:
  - **aging fleets**
  - **loss of manufacturing capability**
  - **obsolescence**
  - **technology migration**

BOEING

# Traditional Support Value Chain




## Characteristics

- sequential planning
- slow execution – not responsive to operational dynamic
- large inventory investment
- build up of Administrative Lead Time (cumulative effect)
- multiple hand-offs require buffer stocks

BOEING

Integrate

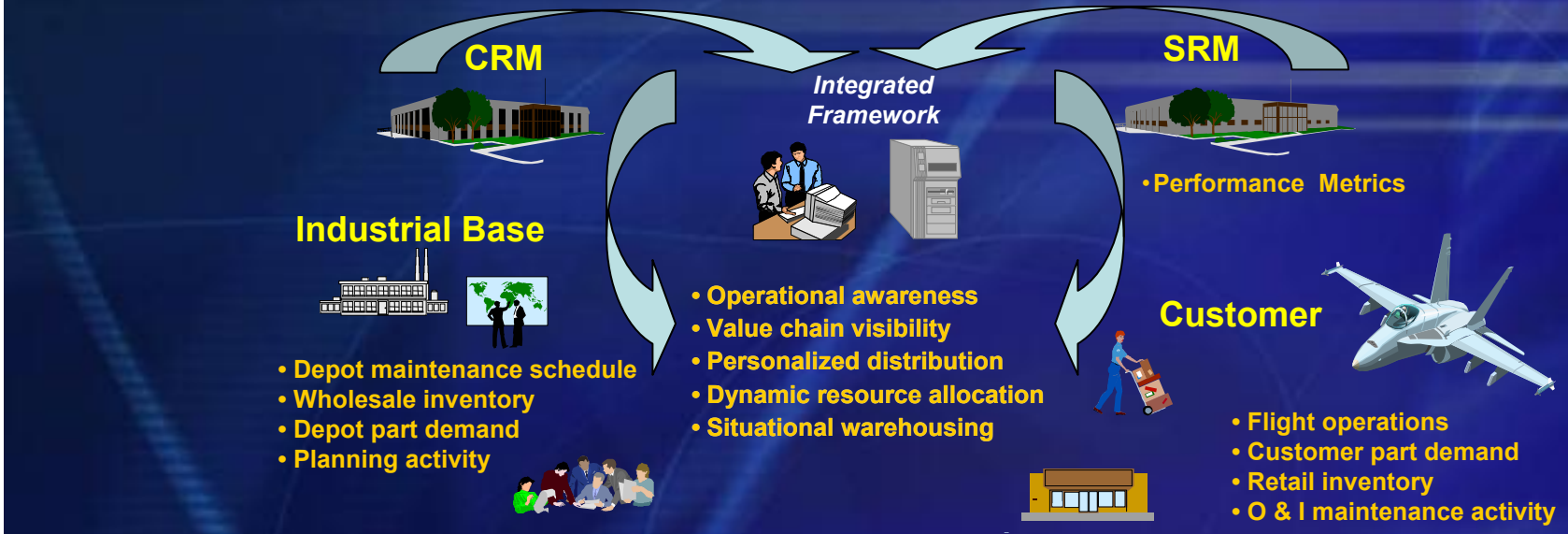
# Transitional Business

## Requires -

- a better understanding of enabling technologies
- elimination of non-value added "white space"
- aggregation of administrative actions
- internal financing to bridge the challenge "gaps"
- a grounded "vision" of the end state
  - **Know where we are, but not exactly where we're going**
- the right information - when needed!
- a vetted plan for technology maturation & infusion

BOEING

# A Transitional Support Chain




## Characteristics

- fully integrated material planning
- closed loop system responsive to change
- has a bias for velocity
- reduced inventory investment
- capacity driven supplier base

BOEING

Accelerate

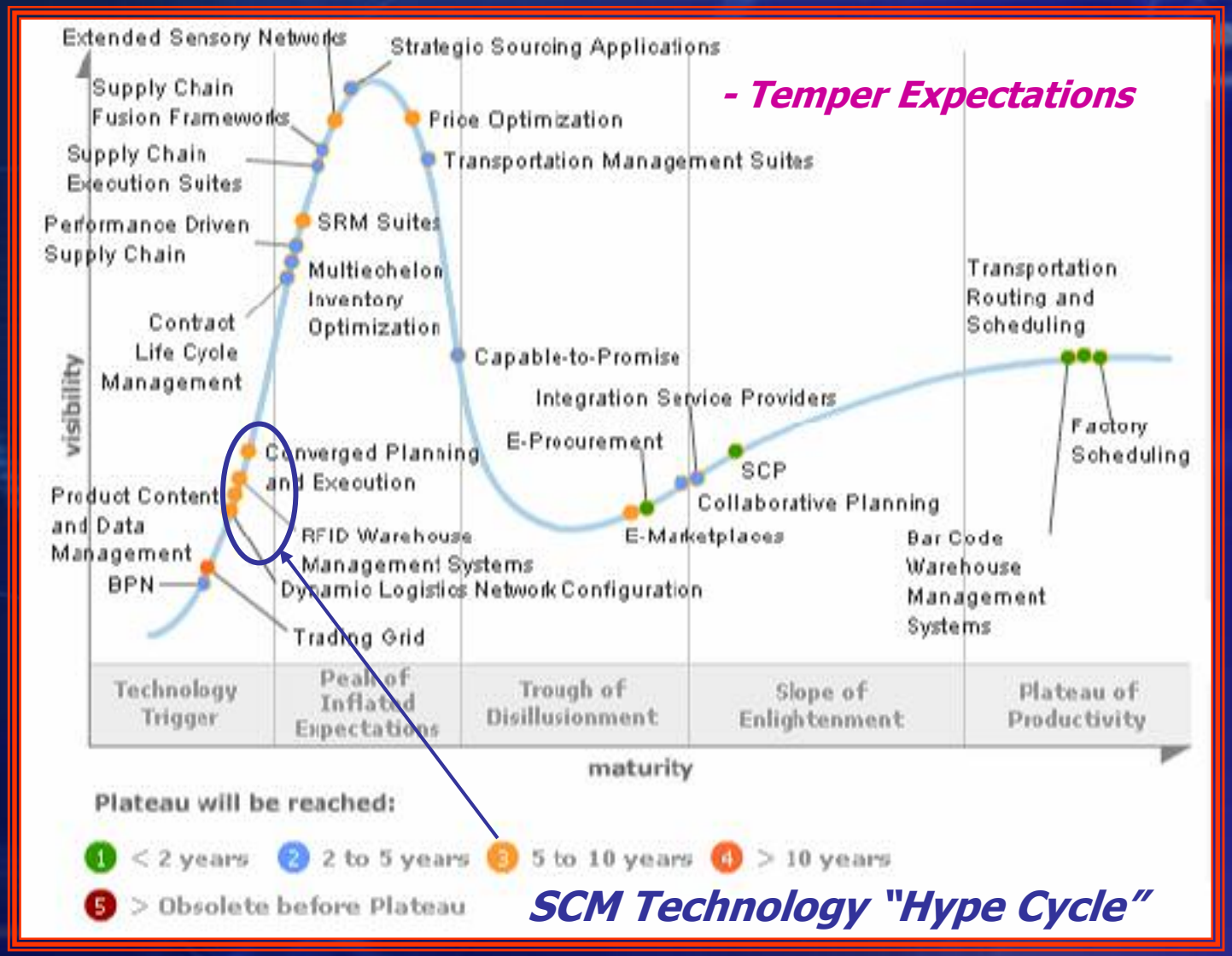
# *Transformational Business*

## *Requires -*

- an end state that is inclusive
- open information lanes for collaboration
- a focus on rapid infusion of enabling technologies
  - **RFID / UID**
  - **Sea-basing**
- investment in resources
  - **people, processes & tools**
- an achievable global vision
  - **a seamless supply chain to the "user"**

BOEING

# Technology Acceptance Curve?




Source: Gartner Research '04

BOEING

# Contractor Coordination Cell


**COL Carl J. Cartwright**

**Deputy Commander, Army Field Support Command**


**AFSC – On the Line**


## Historical Perspective (Rough Order of Magnitude Comparison)

**WW II – Limited Use Of External Support, Onset of "Tech Reps"**

**Vietnam - 1969**
**52K Total Contractors**
**Total US force: 500K+**

**SWA – 1991**
**9,200 US Contractors**
**Total US military: 250K**

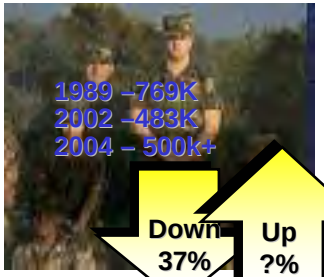
Balkans 2004 - Contractors Outnumber Soldiers?

SWA 2004–12,500 US, more than that # in LNs & TCNs

Total US Military (SWA): 150K

## Today's Resource Environment

**Active Military**

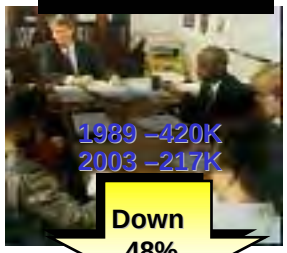



Down 37%

Up ?%

*Making the Tough Calls to Adapt to Today's Reality*

**Civilians**




Down 48%

40% Deployed Recently

**OPTEMPO**

**Reserve Force**

| | ARNG | USAR |
|---|---|---|
| 1989 | 457K | 310K |
| 2003 | 362K | 205K |

Down 26%

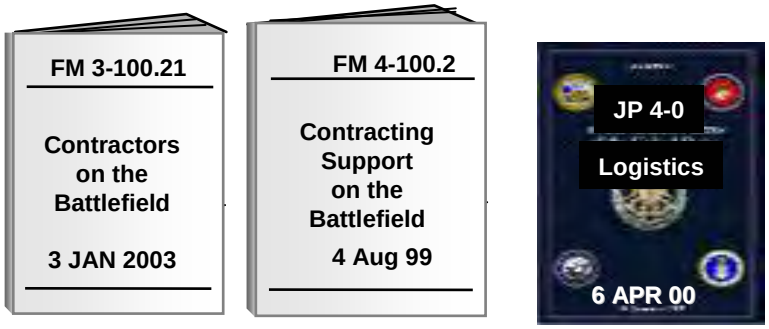
## Why Use Contractors on the Battlefield?

**Big Issue, Not Going Away**

**Obtain Low Density High Tech Skills ("Temporary" CLS)**

**Cost Effective Force Projection Available Resources …Means to Obtain Logistics Capability**

# Types of Contractors




- Theater Support Contractors
- External Support Contractors
- System Contractors

# System Contractors - FSRs


# Theater Support Contractors

- General Transportation
- Port Clearance
- Life Support
- General Labor

# External Support Contractors

- ✓Multiple External PARCs
- ✓In-theater Management
- ✓Examples:
  - ➢ Army Corps of Engineers
  - ➢ LOGCAP
  - ➢ Signal Support

# Bridging Doctrine, Policy, Training & Challenges


DOD Acquisition Deskbook Supl

Contractor in Theater Operations

28 MAR 01

ASA(ALT) Memo

CLS Analysis And Approval Memo

?? 03

ASA(ALT) Memo

System Contractor Support in Contingency Operations

28 JAN 02

FM 4-100.2

Contracting Support on the Battlefield

04 Aug 99

**Institutionalize**

AR 715-9

Contractors Accompanying the Force

In revision?

29 Oct 99

FM 3-100.21

Contractors on the Battlefield

3 JAN 03

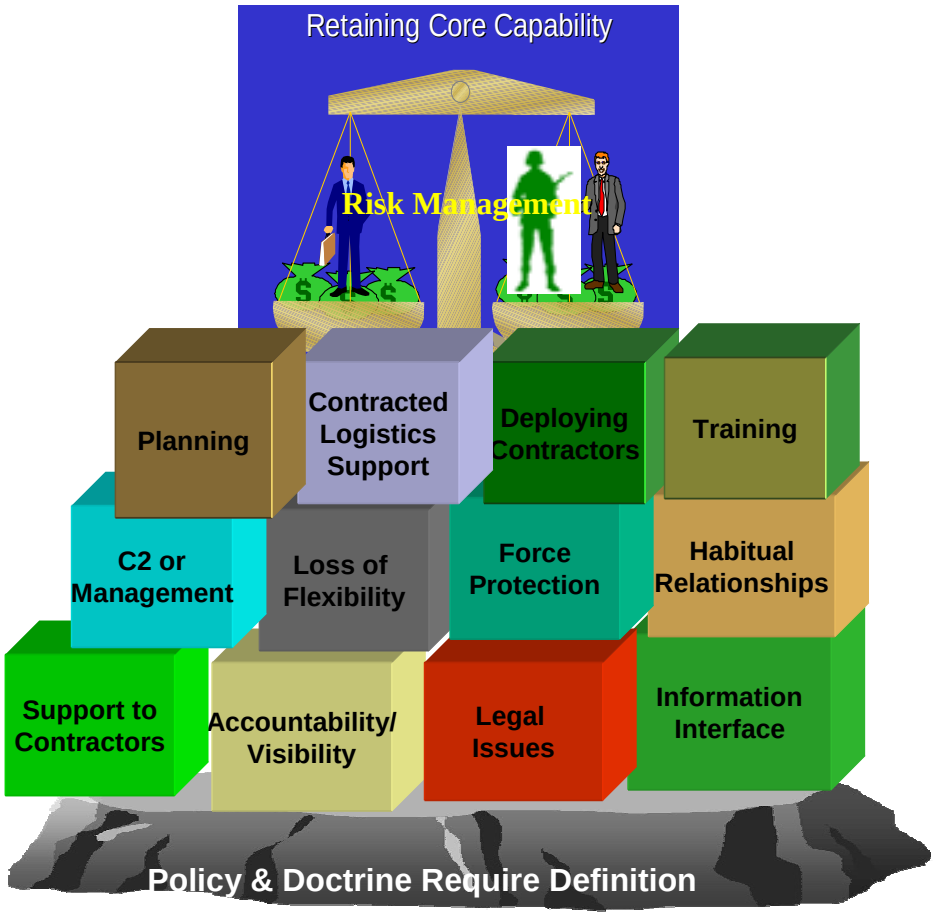
Do we need more COB Training?

- CGSC
- CSS PCC
- ALMC
- DAU
- Others?

DA PAM 715-16

Contractor Deployment Guide

Apr 99

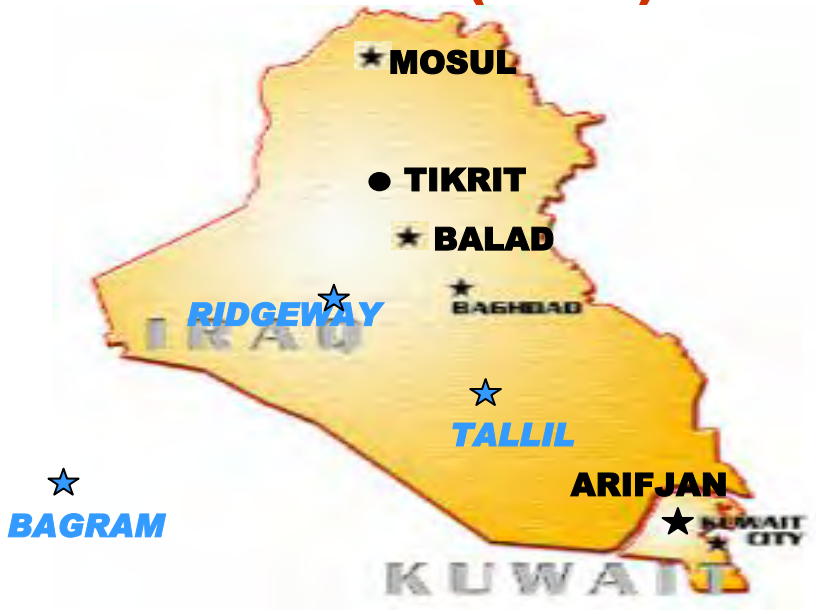


# Contractor Coordination Cell (3C)

## What is "3C" ?

- Contractor Coordination Cell "3C"
- Maintains accountability of all US Army "Contingency" *External* and *Systems* Contractors on the battlefield…OEF and OIF
- Supports and coordinates requirements with the military sponsor
  - HQ AMC MOA (CG, AMC signed on 30 Jan 03)
  - DA Policy (DTG 161410 Jan 03)
  - PM/PEO Directive (DTG Feb 6, 2003)
  - CFLCC Policy (signed 17 Mar 03)
  - Data Providers
  - Bottom line…Lessons Learned

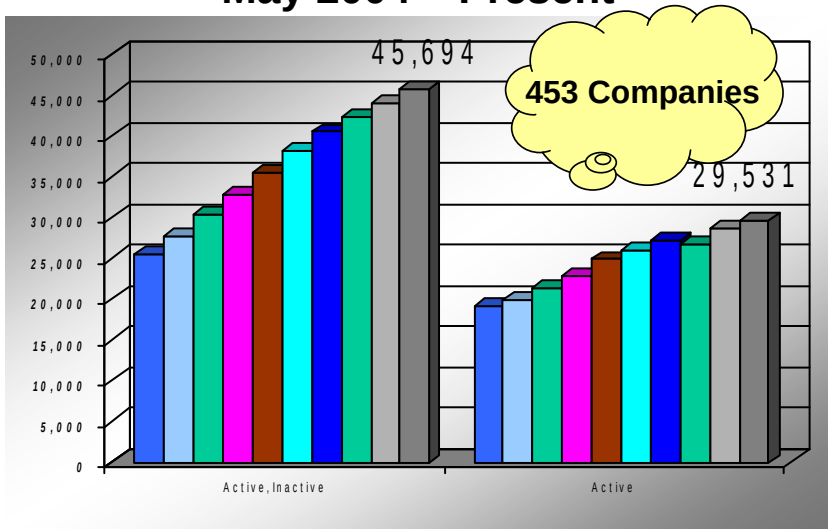
- Accomplishments
- Partial accomplishments
- Not accomplished




## 3C Tasks

- ✓ ID contracting companies in AOR
- ✓ ID local CORs and contractor leads
- ✓ Work with local authorities/CORs to report contractor status
- ✓ Provide contractor SITREPS
- ✓ Act as liaison between local COR and contractor lead and the assigned APOD
- ✓ Identify and report potential immigration challenges
- ✓ Reconcile contractors with companies

**Contractor Coordination Cell**
**May 2004 – Present**



## Arming For Personal Protection

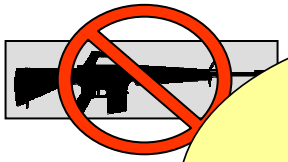
**Current Army & Draft DODD Policy**
- Armed by exception only
- Combatant Cdr's Decision
- Company Policy Permits
- Employee Agrees

- Proper Training
- MILSPEC Arms
- MILSPEC Ammo
- Self-protect ROE

If all three conditions are not met

Else

M9 vs AK-47?



## Contracting Support Plan

How do we synch our Distro and Contracting Plans?

- Distribution
- Contracting Support
- Others

OPLAN Annexes

Logistics

Appendixes

! Disconnect

## Who Isn't Covered

**Host Nation**
**3rd Country Nationals**
**Sub-contractors**

## Contractor Employee Jurisdiction Gap

Declared War

Other Than Declared War

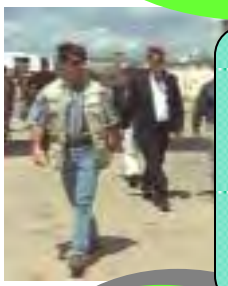
UCMJ

UCMJ

Military Extraterritorial Jurisdiction Act of 2000 (MEJA) And 2004 Draft DOD Implementation Guidance

## Contractor Deployment Certification

Standard Clauses In SOWs

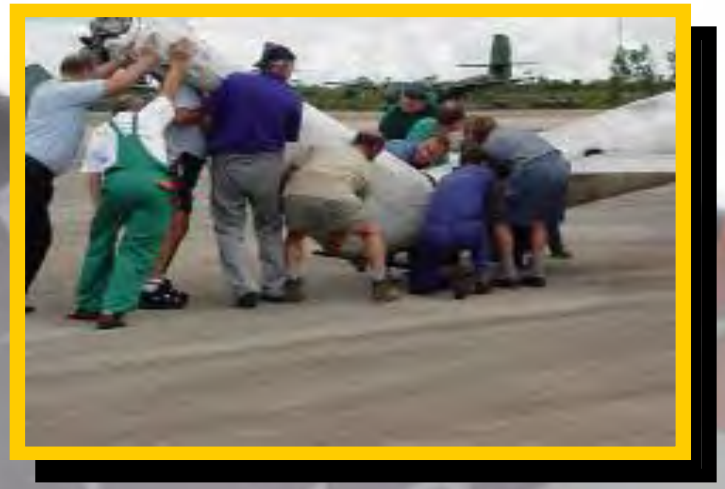


What?
Where?
Who?
How?
$?

Specifics In Contractor Ops Spt Annex

- Contractor
- Force Projection Platform
- At (CRC)
- In Theater Reception Ctr

# Conclusion



**AFSC – On the Line**

# G-4 LOGISTICS UPDATE

## *NDIA National Logistics Conference*

**3 March 2005**

LTG Chris Christianson
Deputy Chief of Staff, G-4

# New Battlefield

- Coalition / Joint all the time
- Widely dispersed operations
- Unsecure lines of communication
- Increasing reliance on contractors
- Rapidly changing organizations
- A new enemy

***A New Logistics Environment!***

# Army G4 Focus

- **Connecting logisticians**
  - ✓ Connect on demand – 24/7
  - ✓ Logistics, Medical, Dist Centers
  - ✓ Joint network to Bns (VSAT)
- **Improving our ability to receive forces**
  - ✓ Theater opening forces
  - ✓ Integrated Log C2
  - ✓ Responsive - Modular
  - ✓ JRSOI focused
- **Integrating our supply chain**
  - ✓ Single Owner?
  - ✓ Joint, Interagency & Industry
  - ✓ E2E visibility & control

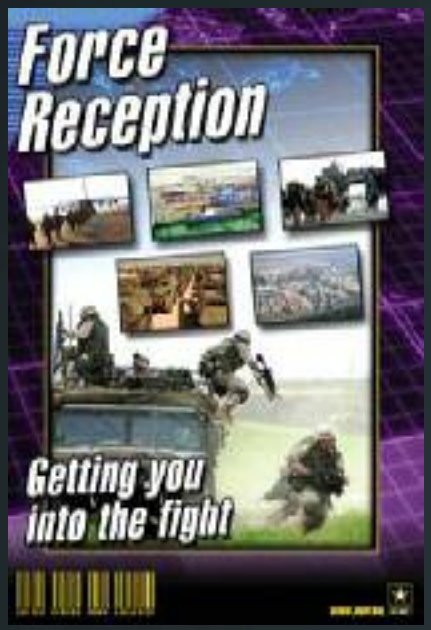
*Sense & Respond*

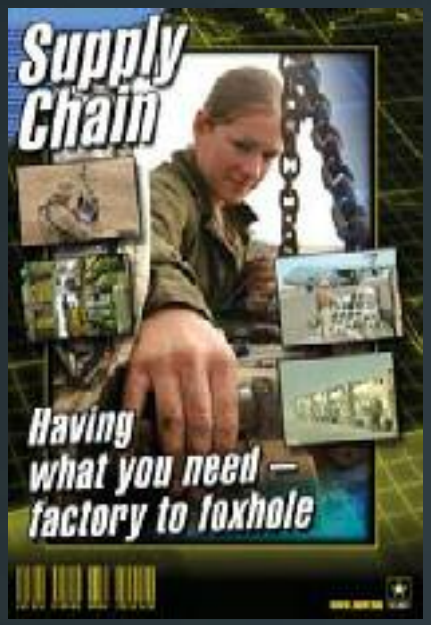
- **Developing world-class distribution capability**
  - ✓ Single owner (USTC = DPO)
  - ✓ Unity of Effort
  - ✓ Capable Platforms
  - ✓ 100% visibility

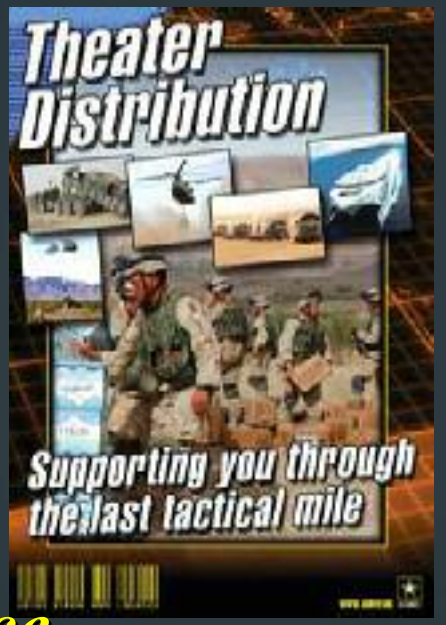
# Challenges

- **Jointness**
  - From Joint-capable, to Joint interdependent
  - System interoperability
  - Title 10 responsibilities (. . . not *"born joint"*)
- **End-to-end processes**
  - Agreement
    - How does it work?
    - Who's responsible for what?
  - Ownership
    - Roles/Missions/Authorities within process
  - Transitioning to the new environment
  - Overcoming linkage to current systems

# Delivering Materiel Readiness


- *To the Soldier*
- *For the Army*
- *In support of the Joint Force*

***All the time!***

# NDIA
# 21st Annual National Logistics Conference

# *Adapting Logistics Capabilities to National Security Requirements*

Industry Keynote

Peter M. Cuviello
Vice President and Managing Director
Lockheed Martin Focused Logistics Enterprise

**1 March 2005**

# Agenda

- A Walk through History
- What we can learn from the past
- Thoughts on logistics transformation

# The Origin of Logistics

- From the Greek word “logistikos”
- Originally used in Roman and Byzantine times when there was a military administrative official with the title “Logists”
- Implied a skill in the sciences of mathematical computations and outcomes

# Historical Perspective

## When US Logistics Started

- By resolution in 1775 the Continental Congress provided for a staff to administer aspects of its military establishment. On 16 June legislation was passed authorizing an Adjutant General, a Commissary General of Stores and Provisions, Quartermaster General, among others

- The First TRANSCOM

# Historical Perspective

## The beginning of the Defense Industrial Base

- 1639 ~ manufacture of gunpowder
- 1647 ~ cannon cast
- 1680 ~ powder mill

- After British prohibited in 1774 the export of firearms to the colonies, domestic public arms factories were established

# Historical Perspective, War of 1812

## The Defense Industrial Base Grows with both Public Arsenels and Private Industry

- 1812 ~ Eli Whitney accepts contract for the manufacture of muskets

- Production of muskets at the national armories increased steadily from 1808 to 1812

- 1840-1850s ~ defense contracting evolves

Defense Industrial Base continues to grow with a number of Private Industry suppliers providing rifles, pistols and swords

# Reliance on Coalition Partners

**Revolution.** General Washington continually handicapped by lack of munitions, supplies and transportation. The situation was improved by aid from France

**Civil War.** The Confederate army was hindered and never succeeded in overcoming its supply deficiencies even with some small arms and fabric from the UK and support from France late in the war

**WW I.** The US Army could not have played the decisive role without weapons, munitions, supplies and transportation furnished by allies

**OIF.** US forces were reliant on coalition and friendly allied support for water, fruits and vegetables, and batteries, among other things

# LOGISTICS and Warfighting

**Logistics**


**Equivalence**

**Strategy**

**Tactics**

# Historical Perspective, Revolutionary War

- Burgoyne's Surrender at Saratoga
  - What Borgoyne considered essential in numbers of men and artillery and baggage proved to be only a burden against success
  - In moving heavy ordinance and stores he lost one of the most important elements in warfare -- timing
  - For the Americans, lines of communication remained open, resupply generally was adequate, and troops were sufficiently well re-equipped

# Historical Perspective, Civil War Logistics and Missed Opportunities

**1st Manassas:** If Confederate forces had logistics support they could have pursued Federal Forces all the way to Washington.

**Peninsular Campaign,** Spring 1862, McClellan moved 110,000 men and supplies employing 400 steamers and sailing vessels, 14,500 animals and 44 batteries of artillery

**Antietam:** Logistics provides an opportunity, not exploited

**Gettysburg:** The Union Victory at Gettysburg can be ascribed to an immense logistical advantage through use of railroads to bring up supplies and men to General Meade

# *Historical Perspective: To what extent have things changed?*

## Quote from the Army Chief of Military History ref the North Africa and Mediterranean Campaign in 1942

**"A situation as shocking to the War Department as it was embarrassing to the Services of Supply in the European theater developed when it became necessary to reorder large quantities of Class II and IV supplies that were knowns to be already in the United Kingdom but which, because of faulty marking and lack of proper records, could not be found in time to equip the forces preparing to sail from Britain.**

**It hardly helped matters when requisitions arrived without proper identification and when timely status of supply reports were lacking."**

# The Classical Principles of Logistics Continue to Apply

- First with the most
- Equivalence
- Materiel Precedence
- Economy
- Flexibility and Dispersion
- Feasibility
- Timing
- Unity of Command
- Knowledge through Information

# GAO Report on OIF

"A backlog of hundreds of pallets and containers of materiel at various distribution points due to transportation constraints and inadequate asset visibility."

"A discrepancy of $1.2 billion between the amount of materiel shipped to Army activities in the theater of operations and the amount of materiel that those activities acknowledged they received."

"A potential cost to DOD of millions of dollars for late fees on leased containers or replacement of DOD-owned containers due to distribution backlogs or losses."

"The cannibalization of vehicles and potential reduction of equipment readiness due to the unavailability of parts that either were not in DOD's inventory or could not be located because of inadequate asset visibility."

# GAO Report on OIF

"The duplication of many requisitions and circumvention of the supply system as a result of inadequate asset visibility."

The accumulation at the theater distribution center in Kuwait of hundreds of pallets, containers, and boxes of excess supplies and equipment that were shipped from units redeploying from Iraq without required content descriptions and shipping documentation.

"DOD did not have adequate visibility over all equipment and supplies transported to, within, and from the theater of operations in support of OIF."

"DOD did not have a sufficient distribution capability in the theater to effectively manage and transport the large amount of supplies and equipment deployed during OIF."

# GAO Report on OIF

"The failure to effectively apply lessons learned from Operations Desert Shield and Desert Storm and other military operations may have contributed to the logistics support problems encountered during OIF."

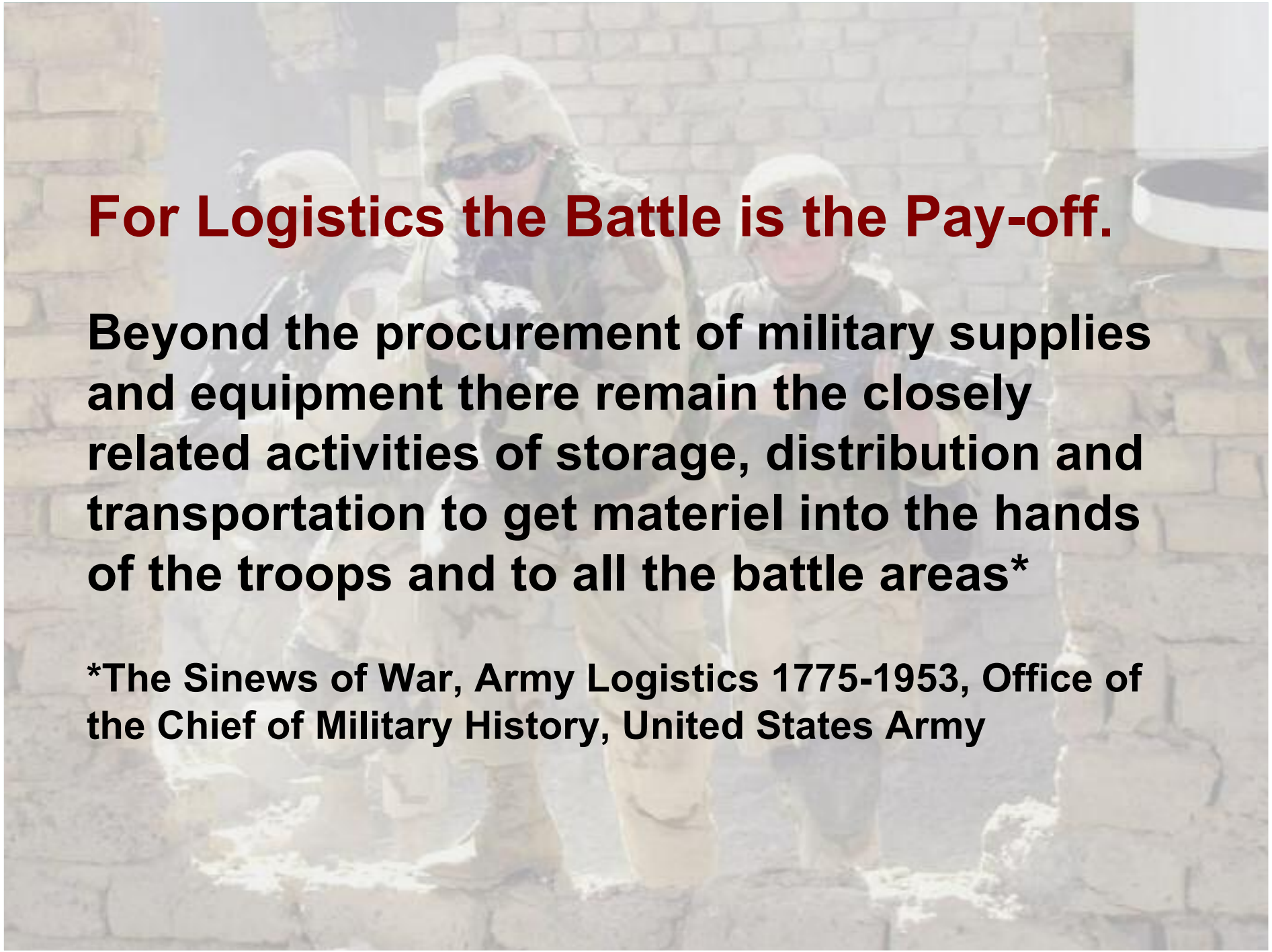
"At times there were shortages of some spares or repair parts needed by deployed forces.

"Army pre-positioned equipment used for OIF was not adequately configured to match unit needs.

# GAO Report on OIF

"DOD contractors used for logistics support during OIF were not always effective.

"Physical security at ports and other distribution points in the theater was not always adequate to protect assets from being lost or taken by unauthorized personnel.



# For Logistics the Battle is the Pay-off.

**Beyond the procurement of military supplies and equipment there remain the closely related activities of storage, distribution and transportation to get materiel into the hands of the troops and to all the battle areas***

***The Sinews of War, Army Logistics 1775-1953, Office of the Chief of Military History, United States Army**

**The most elegant element of logistics transformation is the design of logistics solutions into the weapon system itself**

- **Designing systems for maintenance free operation**
- **Use of autonomic solutions employing prognostics and health management**
- **Different ways of thinking about managing obsolescence through technology refresh strategies**
- **Performance Based Logistics Business strategies, for system level total sustainment, where long term contracts and tailored incentives force lean principles and continuous improvement in system level availability and TOC reduction**

## *Concluding Comments*

* **Elegance of engineering solutions**
* **Courage to employ new business models**
* **Integration of logistics into the overall command and control so that we truly achieve equivalence as the classical principle states:**

***Strategy, tactics and logistics,***
***as history has proven,***
***is what wins wars.***

# A Historical Perspective to Drive the Future

**"The line between disorder and order lies in logistics…"**

***…Sun Tzu***

**"My logisticians are a humorless lot ... they know if my campaign fails, they are the first ones I will slay."**

***…Alexander***

**"There is nothing more common than to find considerations of supply affecting the strategic lines of a campaign and a war."**

***…Carl von Clausevitz***

**"Logistics comprises the means and arrangements which work out the plans of strategy and tactics. Strategy decides where to act; logistics brings the troops to this point."**

***…Jomini: Precis de l' Art de la Guerre. (1838)***

**"Gentlemen, the officer who doesn't know his communications and supply as well as his tactics is totally useless."**

***…Gen. George S. Patton, USA***

**"The war has been variously termed a war of production and a war of machines. Whatever else it is, so far as the United States is concerned, it is a war of logistics."**

***…Fleet ADM Ernest J. King, in a 1946 report to the Secretary of the Navy***

**"Bitter experience in war has taught the maxim that the art of war is the art of the logistically feasible."**

***…ADM Hyman Rickover, USN***

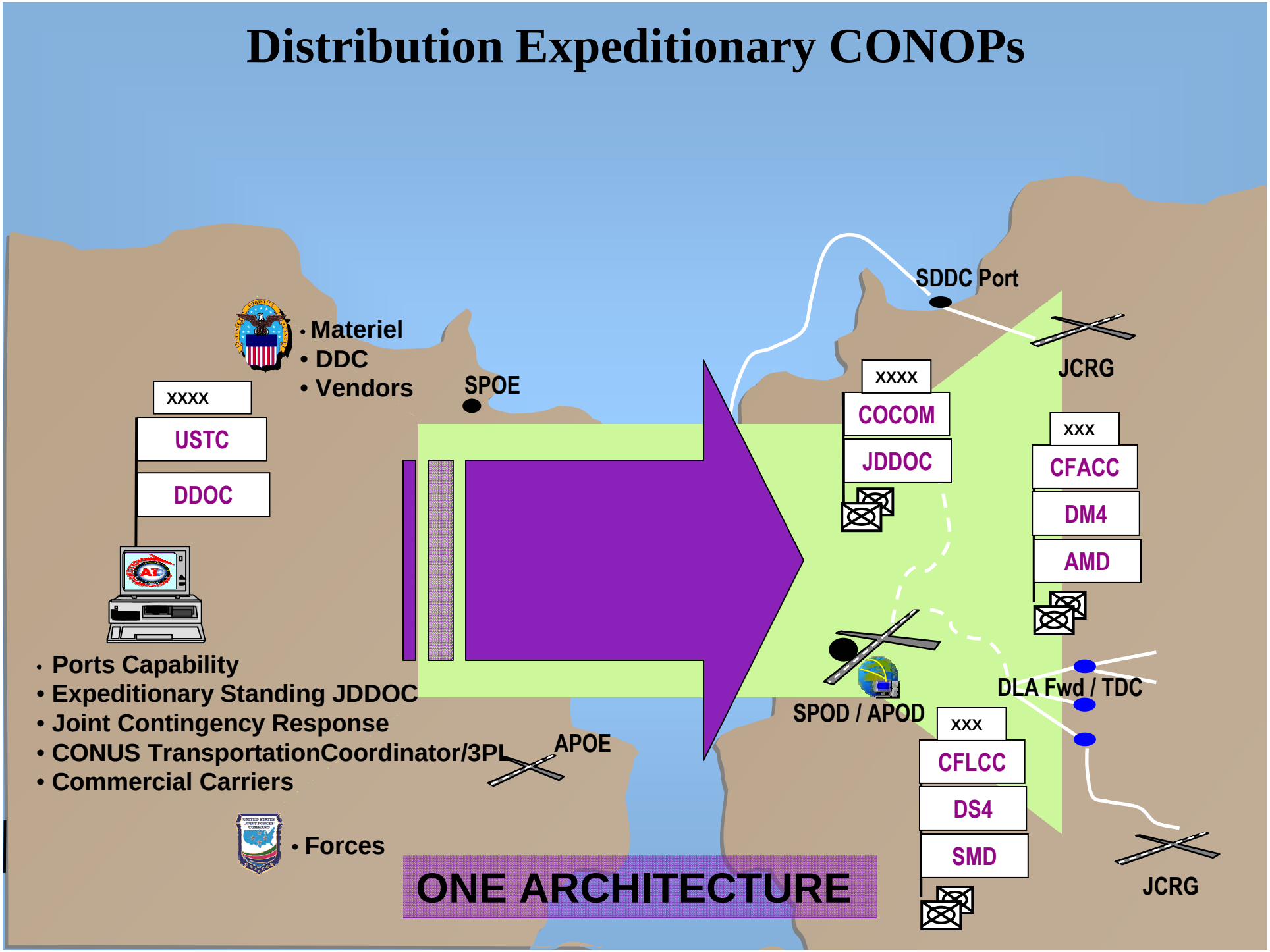
**"Forget logistics, you lose."**

***…Lt. Gen. Fredrick Franks, USA, 7th Corps Commander, Desert Storm***


LTG Robert T. Dail

Deputy Commander,
USTRANSCOM

# Distribution Expeditionary CONOPs




LTG Robert T. Dail

Deputy Commander,
USTRANSCOM

# J-6 Information Operations

*Operational Logistics Information Technology Conference 2005*

# The Need for Asset Visibility

**Ms. Mae De Vincentis**
**Director, Information Operations**
**Defense Logistics Agency**

# The DLA Enterprise

| | |
|---|---|
| FY01 Sales/Services: | $17B |
| FY02 Sales/Services: | $21.5B |
| FY03 Sales/Services: | $25B |
| FY04 Sales/Services: | $28B |
| FY05 Projection: | $28.7B |

- Land/Maritime/Missiles: $2.7B
- Aviation: $3.4B
- Troop Support: $11.9B
- Energy: $7.0B
- Distribution: $2.6B
- Other: $1.1B

- ~95% of Services' repair parts
- 100% of Services' subsistence, fuels, medical, clothing & textile, construction & barrier materiel

## Foreign Military Sales

- Sales: $813.8M
- Shipments: 501K
- Supporting 124 Nations

## Scope of Business

- 54,000 Requisitions/Day
- 8,200 Contracts/Day
- #55 Fortune 500 – Above Northrop Grumman
- #2 in Top 50 Distribution Warehouses
- 26 Distribution Depots
- 5.2 Million Items
- 24.7M Annual Receipts and Issues
- 1411 Weapon Systems Supported
- 144.0M Barrels Fuel Sold (FY 04)
- $14.6B Annual Reutilizations/Disposals

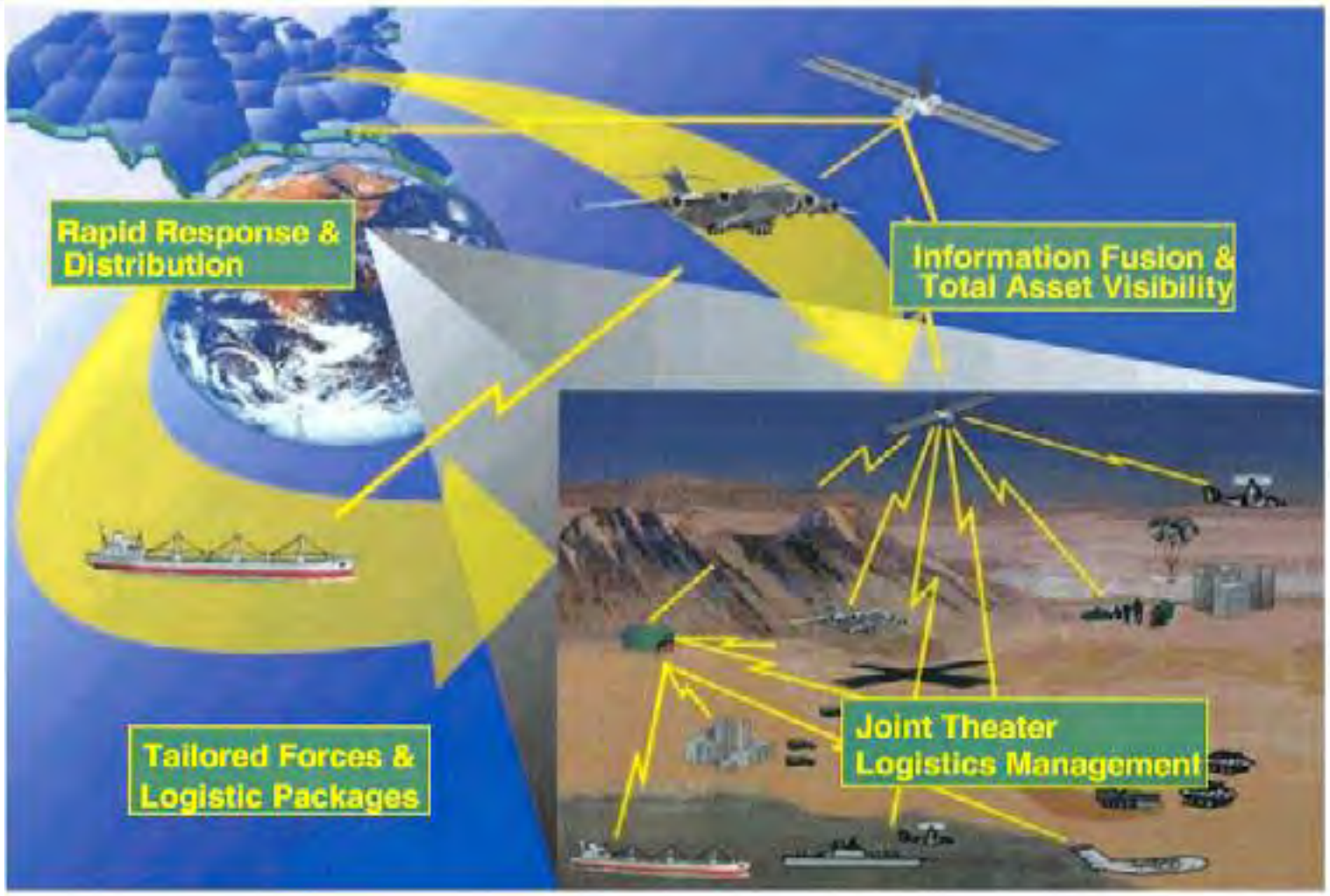
## People

- 21,429 Civilians
- 528 Active Duty Military
- 615 Reserve Military
- Located in 48 States/28 Countries

# What Drove the Need for Improved Asset Visibility?

- Based on logistics deficiencies identified during Operation Desert Storm in 1990/91
  - "Mounds of materiel"
  - Inability to find items or modify distribution in support of military operations
  - Led to over-ordering of assets
- Improvement mandated by DOD for mid-1990's and was primarily implemented via Joint Total Asset Visibility (JTAV)
  - Continued enhancements stressed via logistics war games
- Despite improvements, a need for further enhancements was identified during Operation Iraqi Freedom
  - Material and personnel still arrive in theater without adequate advance information, or an ability to track through the last tactical mile
  - "Pure pallets" and an on scene distribution center prototype helped … but full asset visibility still needed

# Asset Visibility is Vital in Achieving Desired Results for Focused Logistics




"Sense and Respond" logistics support

# What is DLA Doing to Support the Asset Visibility Requirement?

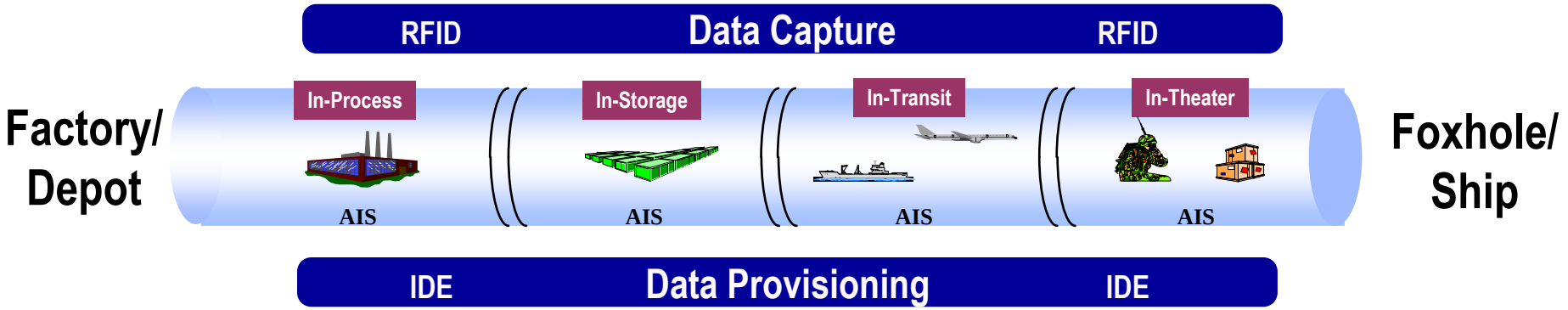
- DLA has operated Joint Total Asset Visibility (JTAV) for DOD since 1998
  - DLA's Integrated Data Environment (IDE) will provide Asset Visibility (AV) as a replacement for JTAV by September 2005
- DLA has also operated the Automatic Identification Technology (AIT) Office for DOD since 1999
  - AIT supports the capturing of key DOD Logistics Data … e.g, through RFID, etc.
- DLA is leading efforts to implement RFID at DOD distribution sites
  - And works with USTC and MilSvcs to leverage RFID in the field

# The Impact of IDE

As JTAV is replaced by IDE AV, users, customers, and process owners will be provided timely and accurate information on the location, movement, status, and identity of units, personnel, equipment and supplies

This facilitates the capability to act upon that information to improve overall performance of DoD's logistics practices

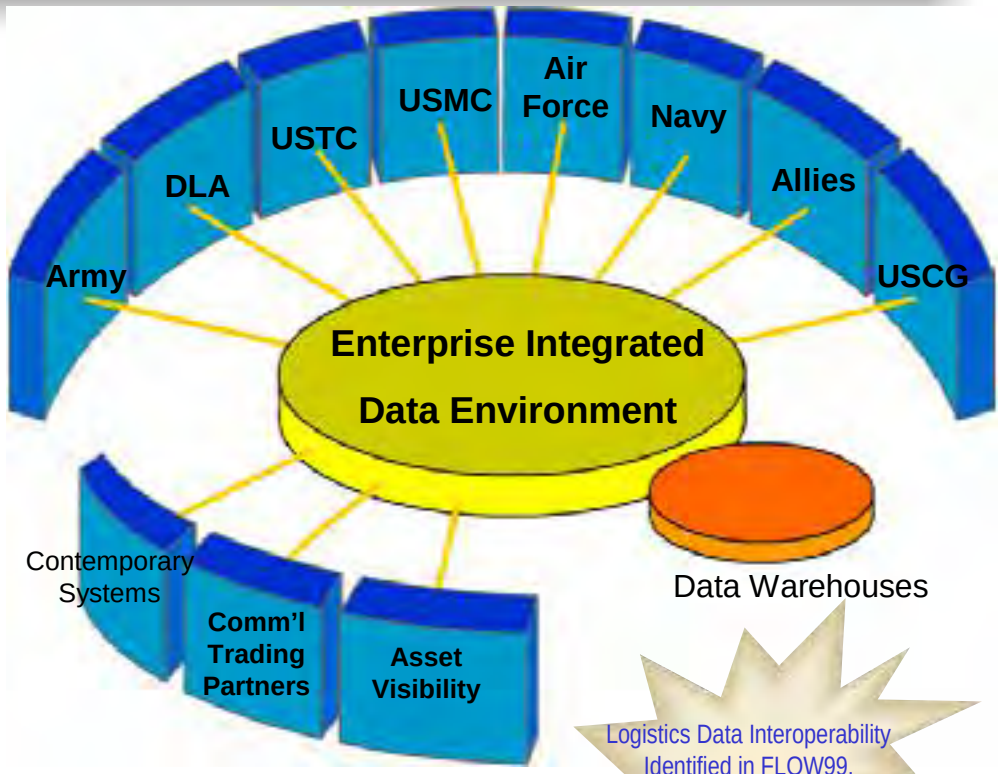
## *"Sense and Respond" Logistics*



# How Else Does IDE Contribute to Asset Visibility and Overall Interoperability?

## Vision

**The DOD Logistics Enterprise is executing practices, processes, applications, and decision support in an integrated logistics data environment, thereby achieving logistics data interoperability within a Net-Centric Community of Interest (COI)**




Logistics Data Interoperability Identified in FLOW99. Re-Validated in FLOW01 and FLOW03

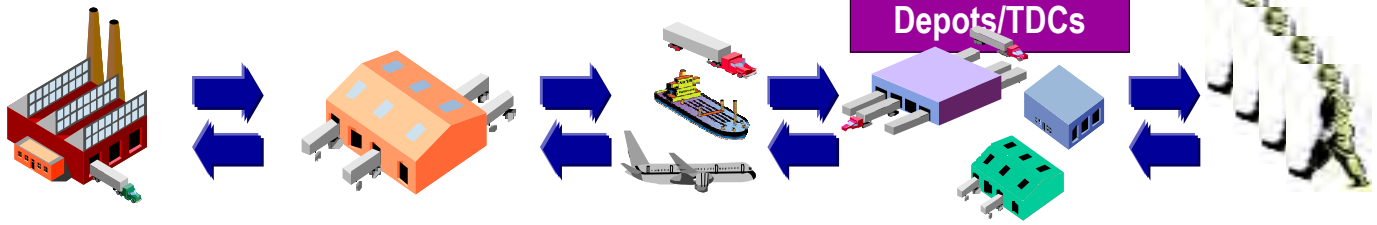
**TODAY**
- Stovepipe Systems
- High Cost
- Limited Data Interoperability

EIDE

**TOMORROW**
- Eliminate stovepipes
- Lower costs (reduced interfaces)
- Enable system-wide interoperability

# RFID's Benefits to Asset Visibility and Across the Entire Supply Chain

Manufacturers/ Suppliers | Distribution Centers/Depots | POEs/PODs | Transportation/Supply/ Theater Depots/TDCs | Customers



**Initial benefit areas**

- Improve Intransit and Asset Visibility
- Improve Shipping/Receiving/Transportation Timeliness
- Improve Shipping/Receiving/Transportation Accuracy

**Other benefit areas**

- Reduced Costs
- Improved Inv Mgt
- Improved Inventory Mgt
- Improved Labor Productivity
- Pipeline Reduction
- Reduced Pipeline
- Reduce NISs
- Speed Payment Process
- Eliminates dup
- Automated Receipt and Acceptance
- Automated Receipt
- Reduce Shrinkage
- Reduce Shrinkage

Demand/ Information Flow

# Why RFID now?

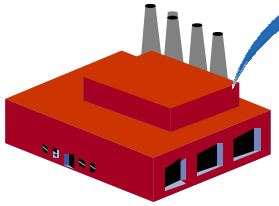
Timing is right…

- To capitalize on emerging supply chain technologies
- To influence direction and cost of the technology
- To make the standards work for us
- To significantly help in enhancing Asset Visibility

# CY 05 RFID Focus at DLA Distribution Centers

DDSP/DDJC Receiving

Manufacturers/ Suppliers



Ship Notice/ Manifest Transaction (856)

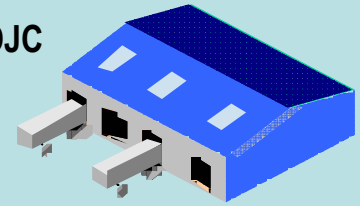
Wide Area Work Flow

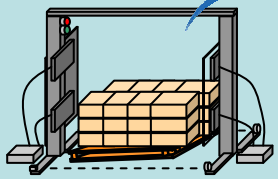
Tagged Material

Ship Notice/ Manifest Transaction (856)

Distribution Centers

DDSP and DDJC





RFID Middleware

DLA Distribution Standard System

856 links supplier RFID tag ID to supply/transportation/UID data

# Bottom Line

- **Asset Visibility is vital to logistics responsiveness and overall warfighting readiness and sustainment**
- **DLA provides several key enablers that impact both static and in-transit asset visibility**

# Desired Logistics Capabilities

## USEUCOM J4 said…

1. Sustainment to CENTCOM (GREEN)
2. GWOT Support (GREEN)
3. NATO and Multinational Partner Support (GREEN)
4. Transformation (GREEN)
5. Formation of the theater DDOC (GREEN)

## USFK J4 said…

1. Connect Logisticians with end-to-end visibility (AMBER)
2. Enhance and Exploit Combined/Joint Capabilities (AMBER)
3. Expand Sources of supply and Integrate supply chain (RED)
4. Expand In-theater Distribution and retrograde system (AMBER)
5. Improve protection to logisticians, enable counterattack (RED)

# Desired Logistics Capabilities

**Erb says…**

1. **Sustainment to CENTCOM (GREEN)**
2. **GWOT Support /homeland defense (AMBER)**
3. **Transformation (AMBER)**

---

4. **Enablement of Joint Theater Logistics (AMBER)**
5. **Integration with Interagency and Coalition (RED)**

# Most Important Actions where DoD Can Help

## USEUCOM J4 said…

1. HSV/TSV
2. Support for Prepo Stocks
3. Service Buy-in for Transformation
4. Non-lethal Weapons
5. Commonality of Base Camps

## Erb says…

1. PROCESSES, PROCESSES, PROCESSES for CoCOMs
2. Define requirements sufficiently for industry
3. Get ON with Net Centricity (and off of PowerPoint)
4. Work the interagency/mulitnational piece
5. Make sure policy is focused on warfighters

# Most Important Actions where INDUSTRY Can Help

## USEUCOM J4 said…

1. Develop capability to mitigate shortages of low density, high demand items that are crucial during war.
2. Share civilian technological advances that enhance warfighter capabilities
3. Increase the logistics contracting base to improve opportunities and competition

## Erb says…

1. Stop waiting for us – come in with an integrated plan
2. Help sell good ideas with multinational partners and other US government agencies
3. Reduce Logistics Footprint, don't enhance it

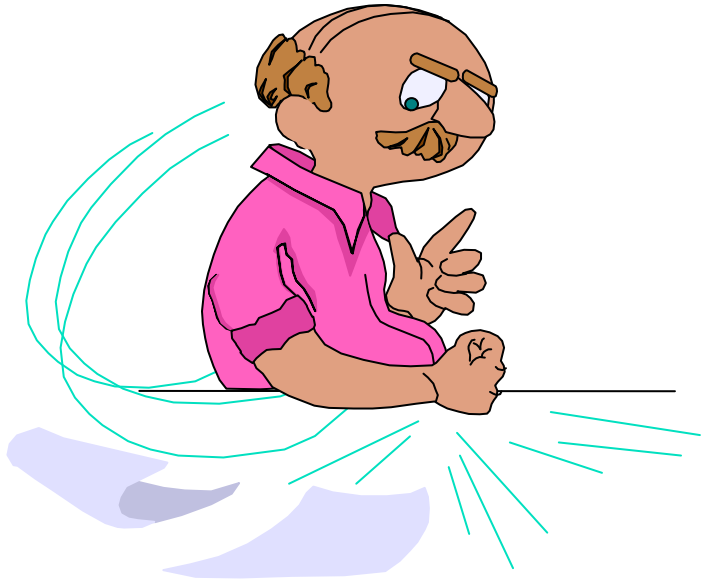
# Closing thoughts…

## USFK said…

"Little utility in defining requirements according to Private vs. Public sector – any attack on the desired capabilities must be cooperative between military and industry – neither can hope of success without the other."

# Operational Logistics Information Technology

"the itch"



**Mr. Jay Erb**
**Deputy Director for Strategic Logistics**
**J-4, The Joint Staff**

# Operational Requirements for Data

*Visibility of…*

Visibility of 14 different categories

- ✓ **Assets in Transit (USTRANSCOM)**
- ✓ **Assets in Storage / Process (DLA)**

- **Fixed Infrastructure Capabilities (Static) (OSD, JS J4/J8)**
- **Unit Static Information (doctrinal capabilities) (CFDB)**
- **Location of Units (GCCS-J and JC2)**
- **Availability of Units (Global Force Management)**
- **Readiness Reporting Information (GFM/Defense Readiness Reporting System)**

Purple = Near Real Time
Red = more static (from data base)

# Operational Requirements for Data

*Visibility of…*

Visibility of 14 different categories

- **Assets in War Reserves / Prepositioned Stocks (Service/Agency data/systems)**
- **Commercial / Vendor Support (?)**
- **Assets / Capabilities of Host Nation Support (?)**
- **Visibility of Personnel (specialty skills, status) (DIMHRS)**
  - **patient tracking (TRAC2ES)**
  - **DoD Civilians and Contractors (DIMHRS)**
- **Dynamic Infrastructure (weather, threat, etc) (I-3)**
- **Consumption / Planning Factors (Static or Dynamic) (?)**

Purple = Near Real Time
Red = more static (from data base)

# Data becomes information

## *Joint Decision Support Tools*

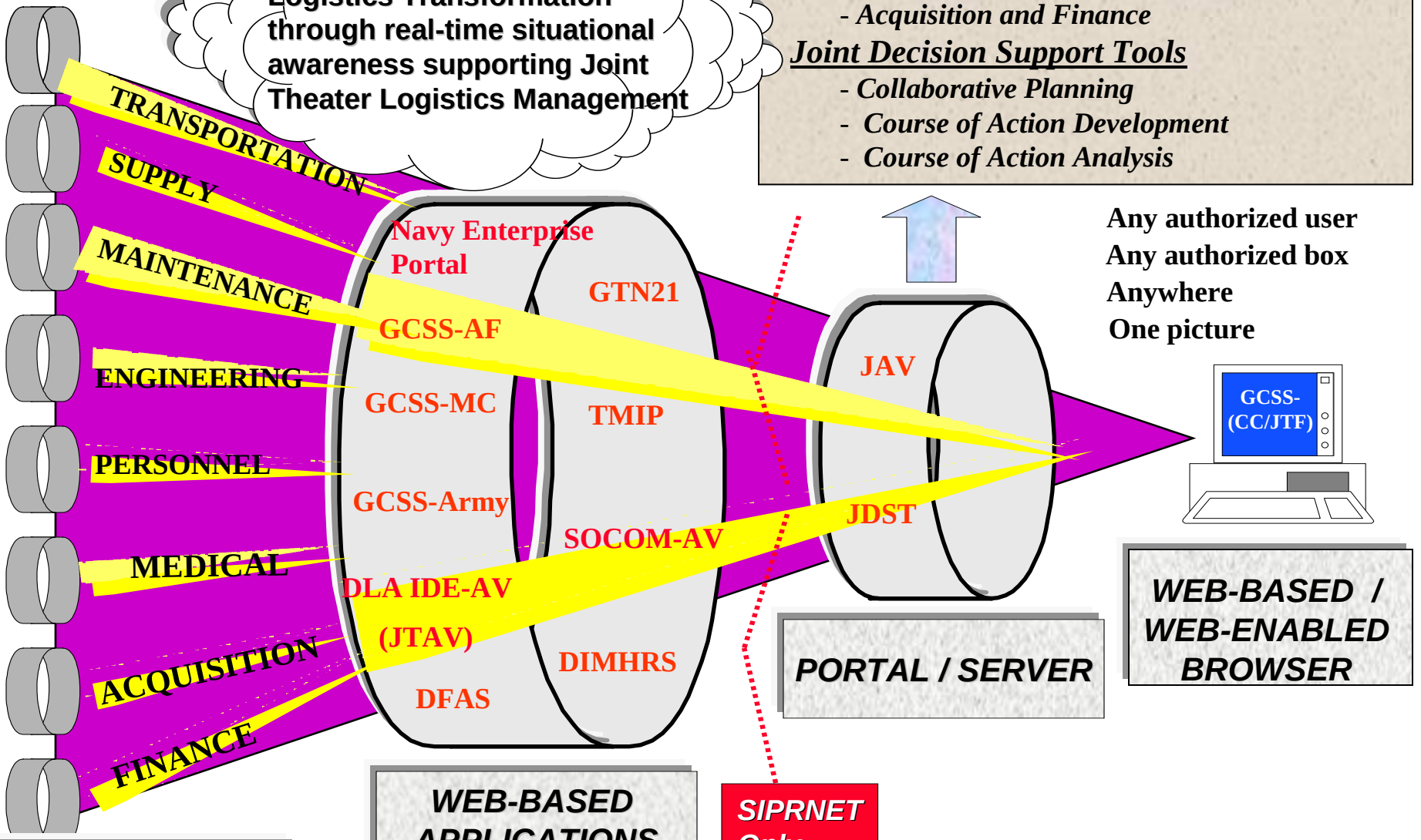
- **Projections**
- **Course of Action Development / Analysis**
- **Logistics Estimate Planning**

***135 of 266 tasks requires some form of JDST***

# GCSS FoS

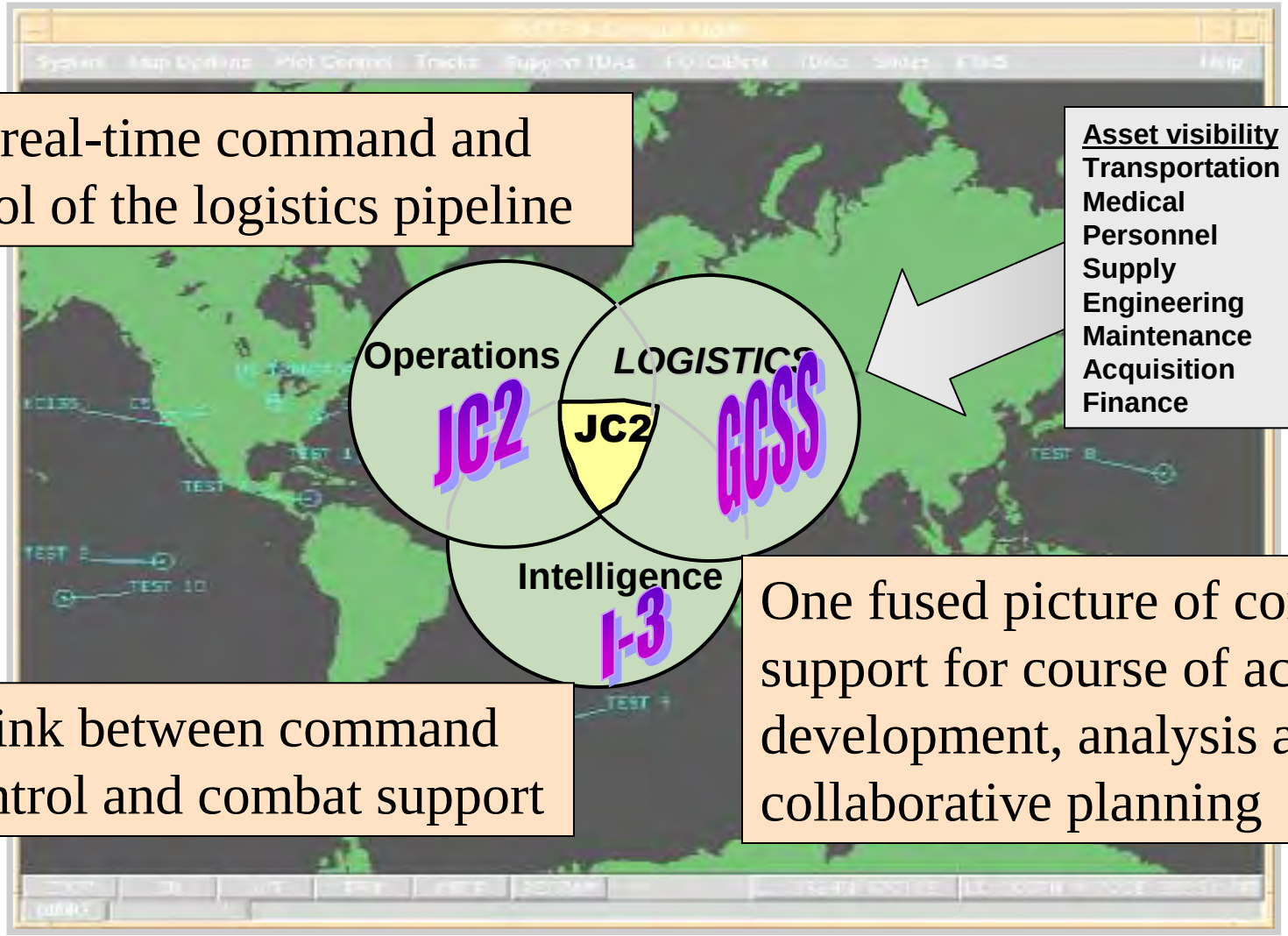
Logistics Transformation through real-time situational awareness supporting Joint Theater Logistics Management

- ***Joint Asset Visibility***
  - *Mobility, Transportation, Movement*
  - *Logistics (Supply, Maintenance, Engineering)*
  - *Personnel and Force Health Protection*
  - *Acquisition and Finance*
- ***Joint Decision Support Tools***
  - *Collaborative Planning*
  - *Course of Action Development*
  - *Course of Action Analysis*



# GCSS (CC/JTF) Objective

Near real-time command and control of the logistics pipeline




**Asset visibility**
Transportation
Medical
Personnel
Supply
Engineering
Maintenance
Acquisition
Finance

One fused picture of combat support for course of action development, analysis and collaborative planning

Close link between command and control and combat support

# "Power Point" to execution is difficult !

## Top 10 Issues…

- **Data interoperability (data standards, integration and normalization)**
- **Linkages between SIPRNET and NIPRNET –**
- **Role-based access (NII)**
- **Information Assurance – NII Enterprise Services**
- **Net Centricity/Net Service – When is it coming?**

# "Power Point" to execution is difficult !

## Top 10 Issues… (continued)

- ERP vice other functional legacy systems
- Service/Agency comm infrastructure – Log Transformation Roadmap Issue
- Business rules for NIPRNET info exchange – E-IDE
- Automatic Identification Technology (AIT) / Automated Info System (AIS) Interface – Log Transformation Roadmap Issue
- Interoperability including Inter-agency / Coalition / Host Nation – everyone involved!

# Questions??

# Surface Deployment & Distribution Command
# The Road Ahead
## Providing End-To-End Deployment/Distribution Support


NDIA Panel: Distribution Challenges and Initiatives

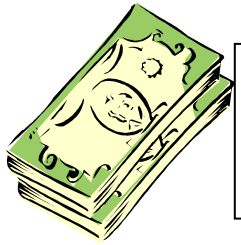
BG(P) Charlie Fletcher
CG, SDDC
1 Mar 2005

# Surface Deployment & Distribution Command (SDDC)

## OBJECTIVES

- SIMPLIFY Deployment for Military Units
- EMPOWER E2E Distribution Process
- LEVERAGE Commercial Capabilities
- MIGRATE to Common C2 Platforms, Systems & Processes

# OIF/OEF Container Detention Costs

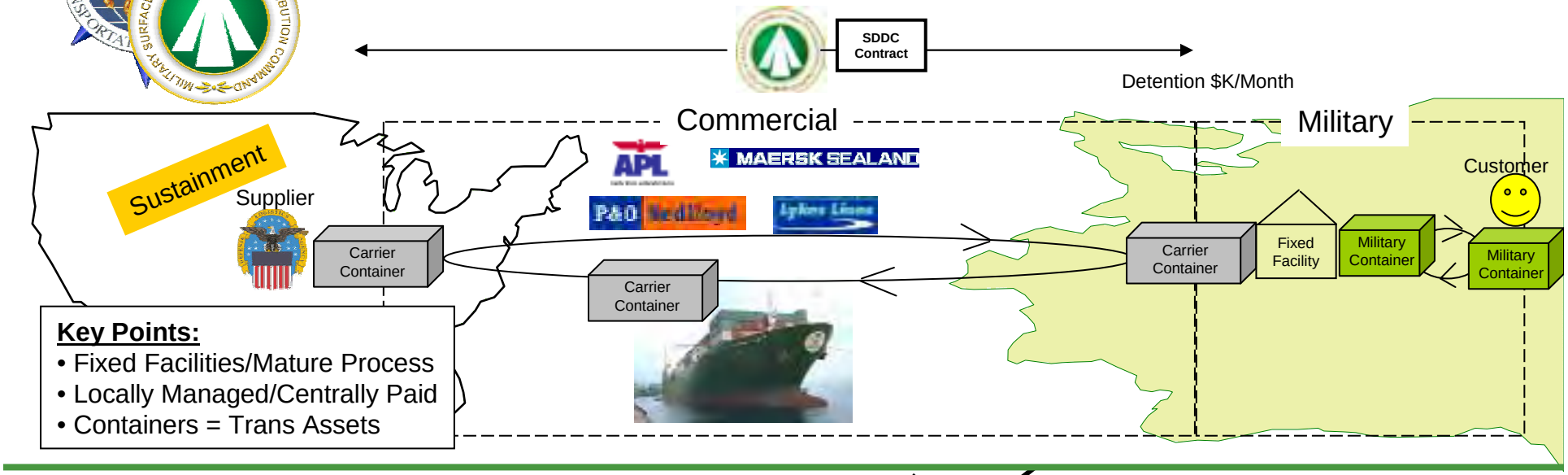


Situation:
$10-15 Million/Month & Poor On-Hand Visibility

- How & Why Did We Get Here
- How Do We Fix It

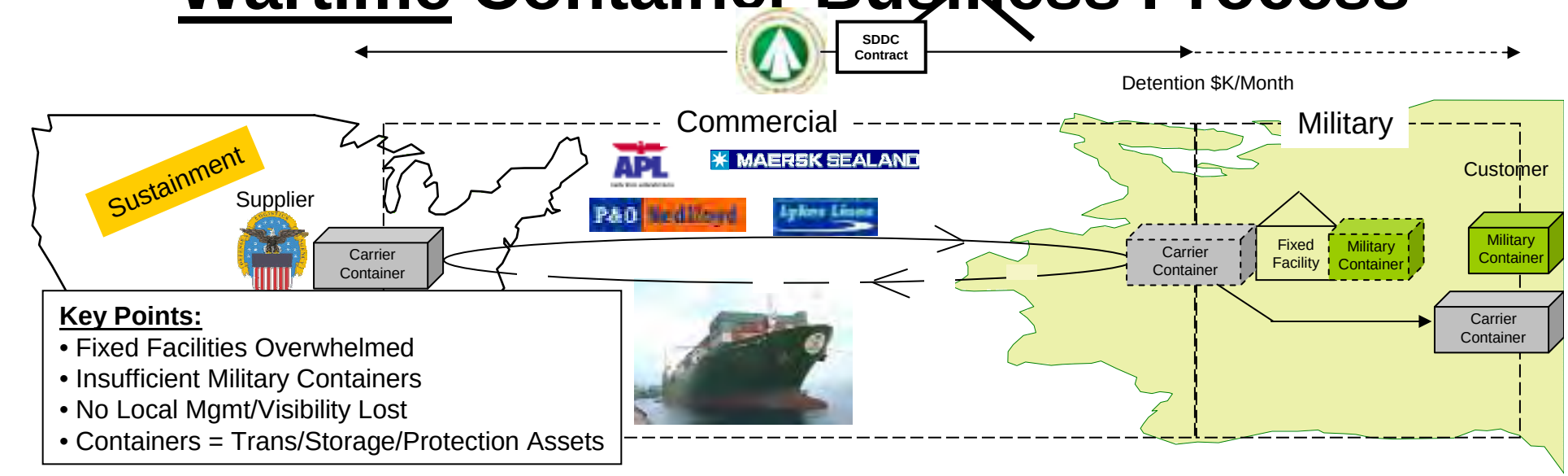
No Easy Fix

# Pre-War Container Business Process



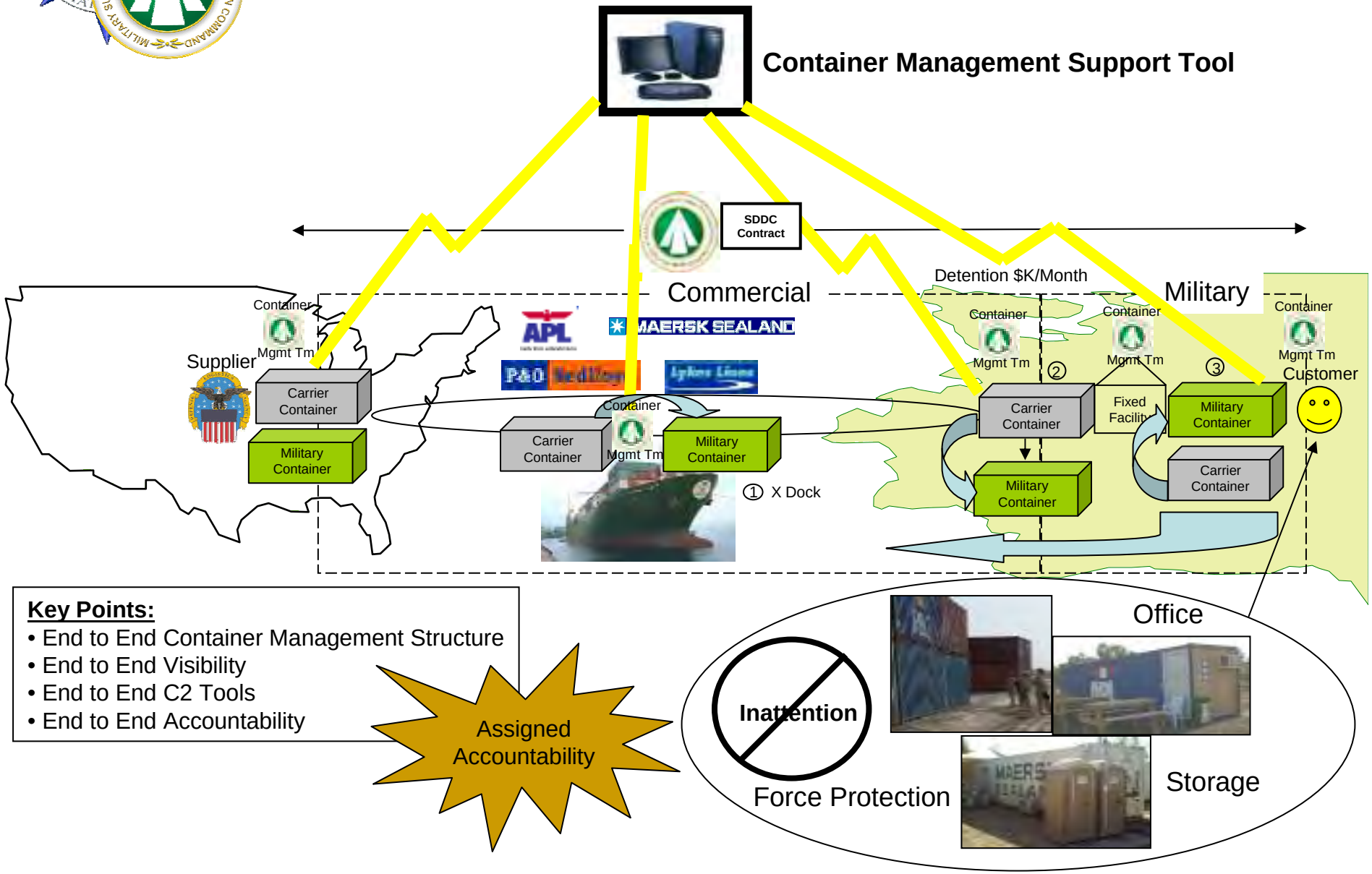

**Key Points:**
- Fixed Facilities/Mature Process
- Locally Managed/Centrally Paid
- Containers = Trans Assets

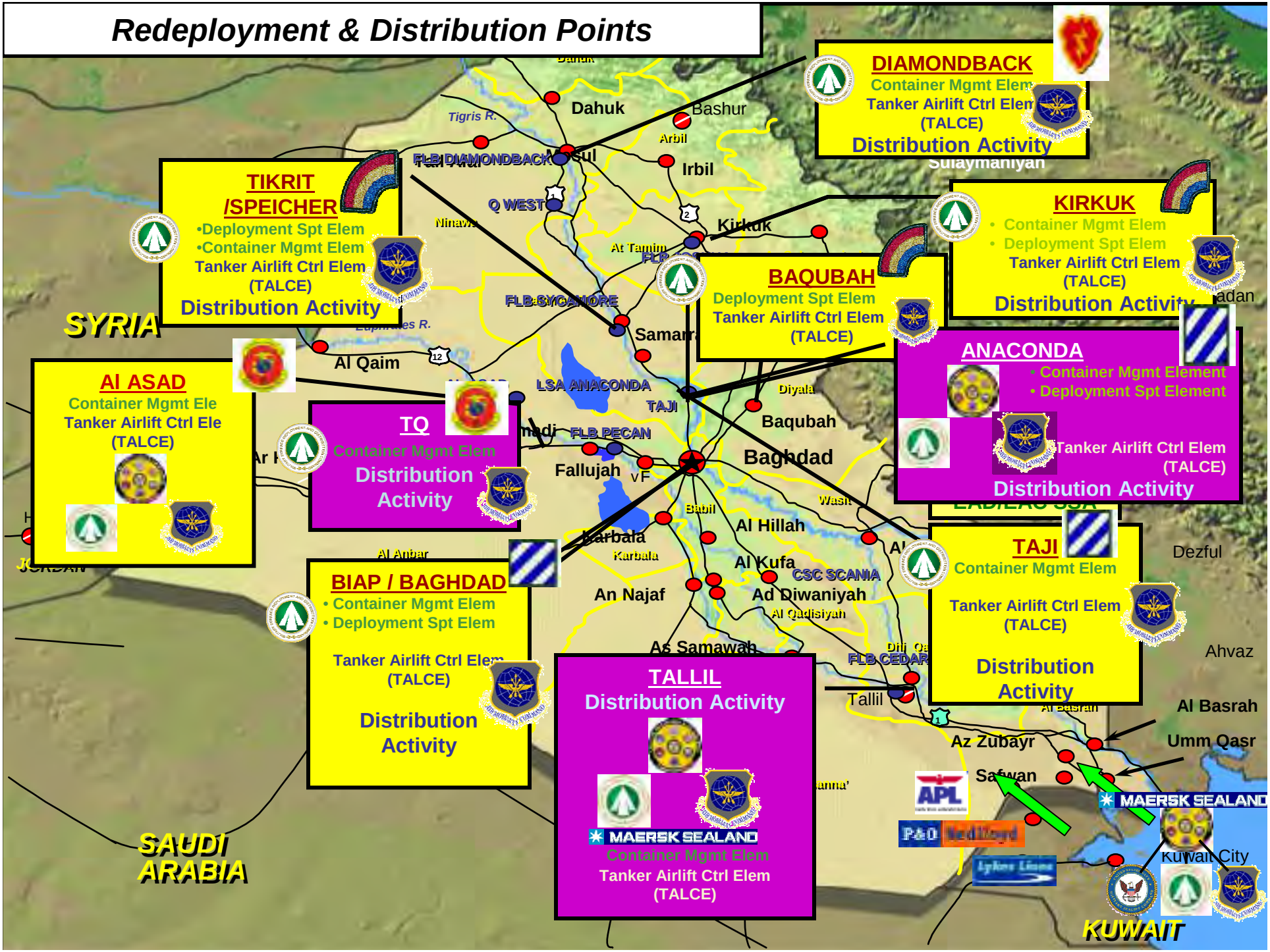
# Wartime Container Business Process




**Key Points:**
- Fixed Facilities Overwhelmed
- Insufficient Military Containers
- No Local Mgmt/Visibility Lost
- Containers = Trans/Storage/Protection Assets

# Tomorrow's Container Business Process




Redeployment & Distribution Points
DIAMONDBACK
Container Mgmt Elem
Tanker Airlift Ctrl Elem
(TALCE)
Distribution Activity
TIKRIT
/SPEICHER
•Deployment Spt Elem
•Container Mgmt Elem
Tanker Airlift Ctrl Elem
(TALCE)
Distribution Activity
KIRKUK
• Container Mgmt Elem
• Deployment Spt Elem
Tanker Airlift Ctrl Elem
(TALCE)
Distribution Activity
BAQUBAH
Deployment Spt Elem
Tanker Airlift Ctrl Elem
(TALCE)
ANACONDA
• Container Mgmt Element
• Deployment Spt Element
Tanker Airlift Ctrl Elem
(TALCE)
Distribution Activity
Al ASAD
Container Mgmt Ele
Tanker Airlift Ctrl Ele
(TALCE)
TQ
Container Mgmt Elem
Distribution
Activity
TAJI
Container Mgmt Elem
Tanker Airlift Ctrl Elem
(TALCE)
Distribution
Activity
BIAP / BAGHDAD
• Container Mgmt Elem
• Deployment Spt Elem
Tanker Airlift Ctrl Elem
(TALCE)
Distribution
Activity
TALLIL
Distribution Activity
MAERSK SEALAND
Container Mgmt Elem
Tanker Airlift Ctrl Elem
(TALCE)
SYRIA
SAUDI
ARABIA
KUWAIT
Dahuk
Bashur
Irbil
Kirkuk
Sulaymaniyah
Tigris R.
Euphrates R.
Ninawa
At Tamim
Diyala
Wasit
Babil
Karbala
Al Anbar
An Najaf
Al Qadisiyah
Al Kufa
Al Hillah
Baqubah
Baghdad
Fallujah
Samarra
Al Qaim
Tallil
Az Zubayr
Safwan
Al Basrah
Umm Qasr
Kuwait City
Dezful
Ahvaz
FLB DIAMONDBACK
Q WEST
FLB SYCAMORE
LSA ANACONDA
TAJI
FLB PECAN
FLP
CSC SCANIA
FLB CEDAR
APL
P&O Nedlloyd
Lykes Lines

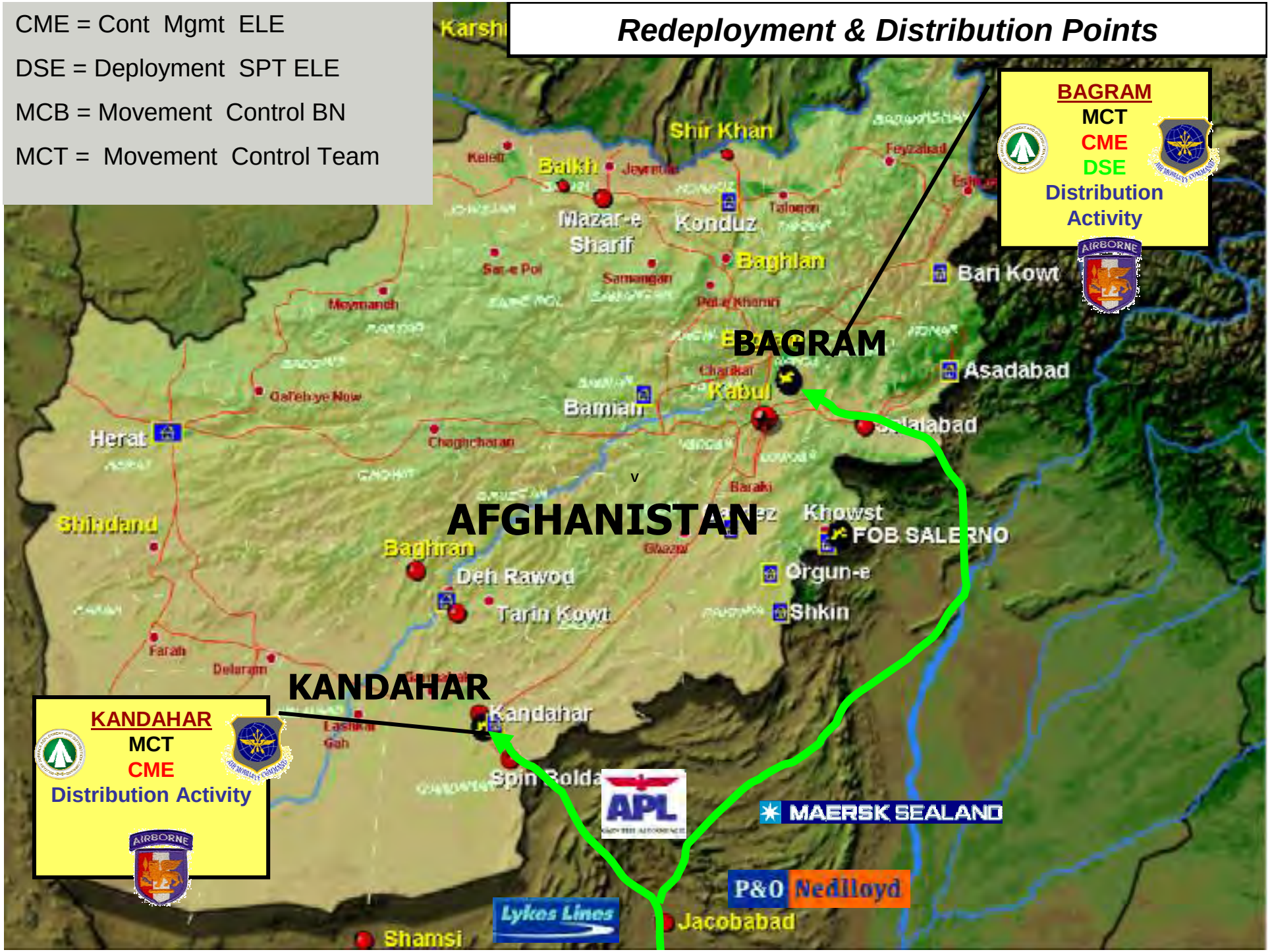
CME = Cont Mgmt ELE

DSE = Deployment SPT ELE

MCB = Movement Control BN

MCT = Movement Control Team

# *Redeployment & Distribution Points*



# CONTAINER MANAGEMENT TASKS

AS OF 15 FEB 05

- **All Containers RF Tagged at SPOD**

- ☑ **Establish Container Content Database (Concept to Fielding 95 Days $400K)**
- ☑ **Enforce Shipper/Carrier Electronic Documentation (“Do Not Lift” Policy)**
- ☑ **Equip & Certify SPOD Contractors (Contracts Initiated)**

- **No Carrier Containers North of Tallil**

- ☑ **Contractor Cross-Load En-route (10-20 Minutes & $200 per box)**
- ☑ **Military Cross-Load at Tallil (Not Pretty; Govt Owned containers still in short supply)**

- **End-to-End Management**

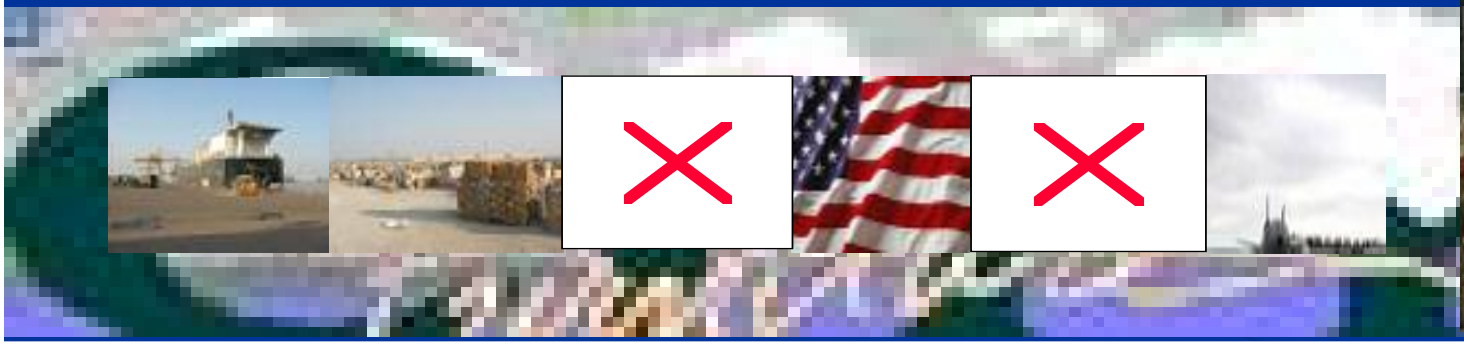
- ☑ **Train, Equip & Field SWA Container Management Teams**
- ☐ **Test and Document Joint Distribution procedures at designated nodes in Iraq. (Coordination with CFLCC, MNC-I, II MEF, 1st COSCOM)**
- ☐ **Develop an Army capability to complement USAF Contingency Response Groups and provide initial intermodal platform mngt and movement control (Ongoing)**

- **Container Management**

- ☐ **USTC-Army MOA (Funding, Accountability and Disposition) (NLT 2 May 05)**
- ☐ **Implement Contingency Clauses in USC 05 (Ongoing)**
- ☐ ***Transition Plan to 4PL (a la Global POV; Discussions Initiated; Long-Range)***

# DoD Distribution Challenges & Initiatives

NDIA 21st National Logistics Conference & Exhibition



**Ken Gaulden | Senior Vice President and Chief Commercial Officer | Maersk Line, Limited**

**March 1, 2005**
**Miami, FL**

# Outline

- Global Intermodal Capability
- Sealift Industry
- Distribution Process Owner
- Supply Chain Management
- Government-Commercial Model
- Maersk Integrated Defense Logistics
- Conclusion

# Global War on Terror

# Global Intermodal Capability

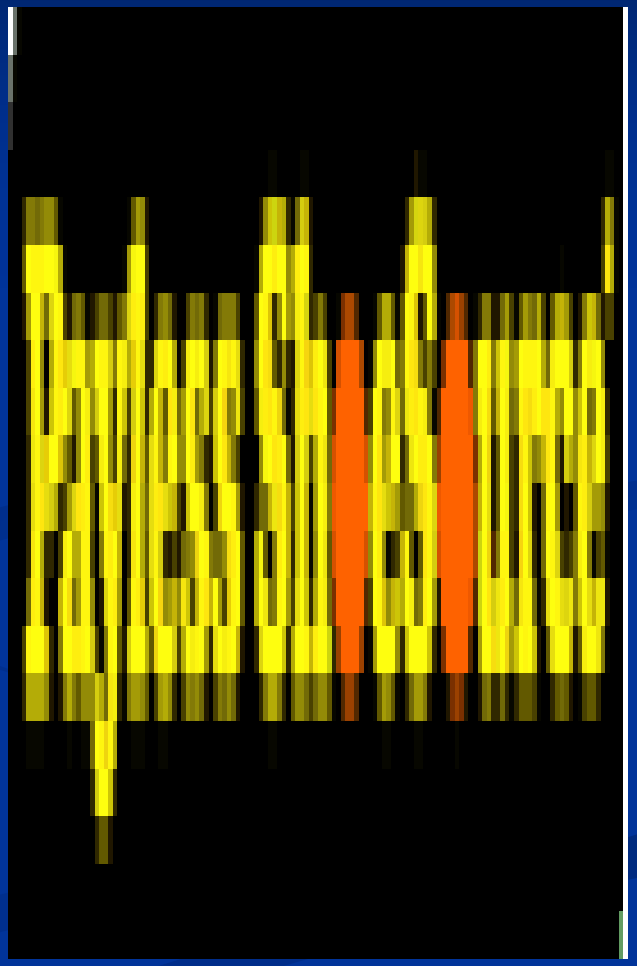
- Point-to-point intermodal container service with in-transit visibility

**Infrastructure**

- Vessels
- Terminals/Ports
- Containers
- Truck Power
- Rail/Barge
- Gensets
- Handling Equipment

**Technology**

- Systems
- Networks
- People



# Maersk Global Presence

# Commercial Sealift Industry Value Proposition

| Government | Industry |
|---|---|
| Assured Access to: | |
| ▪ Vessels | Cargo Preference |
| ▪ Global Intermodal Capacity | Commercial Compensation |
| ▪ US Maritime Labor | Joint Planning |
| Peacetime and War | |

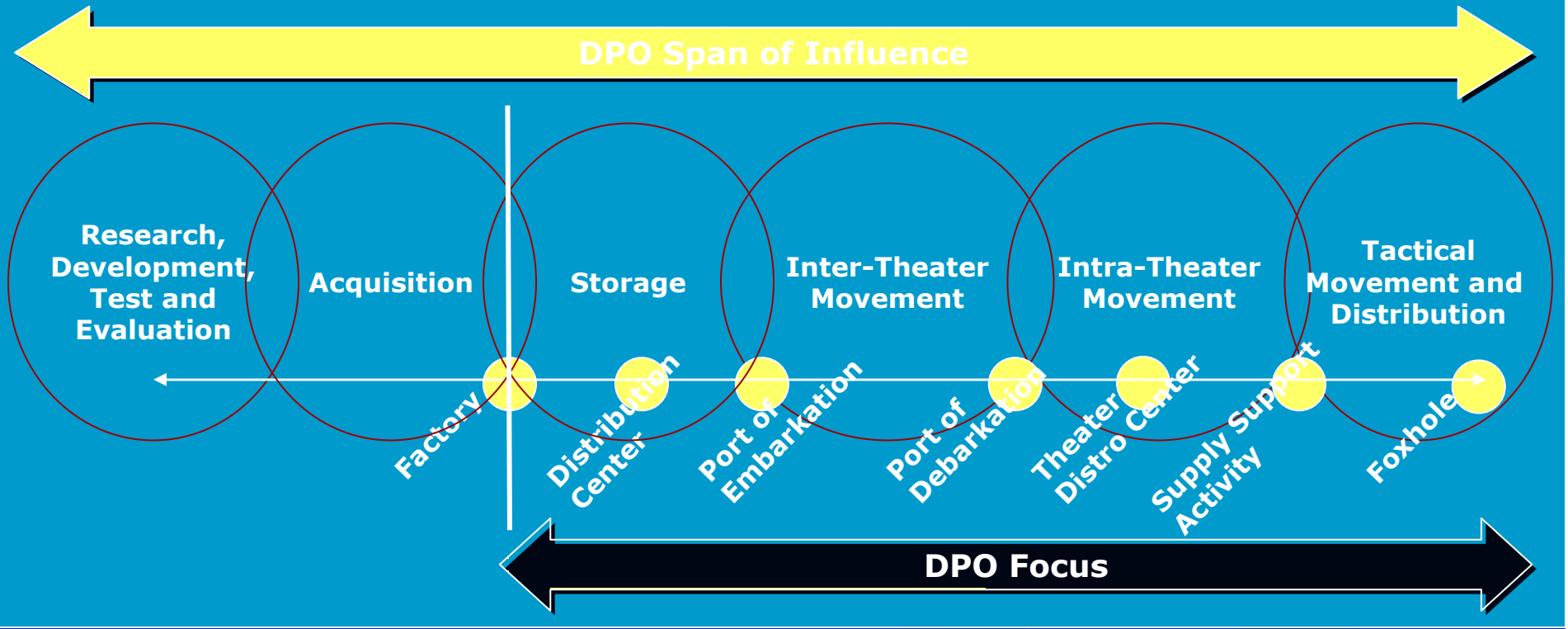
**Pay as you go.**

# Sealift Industry and Government Partnership

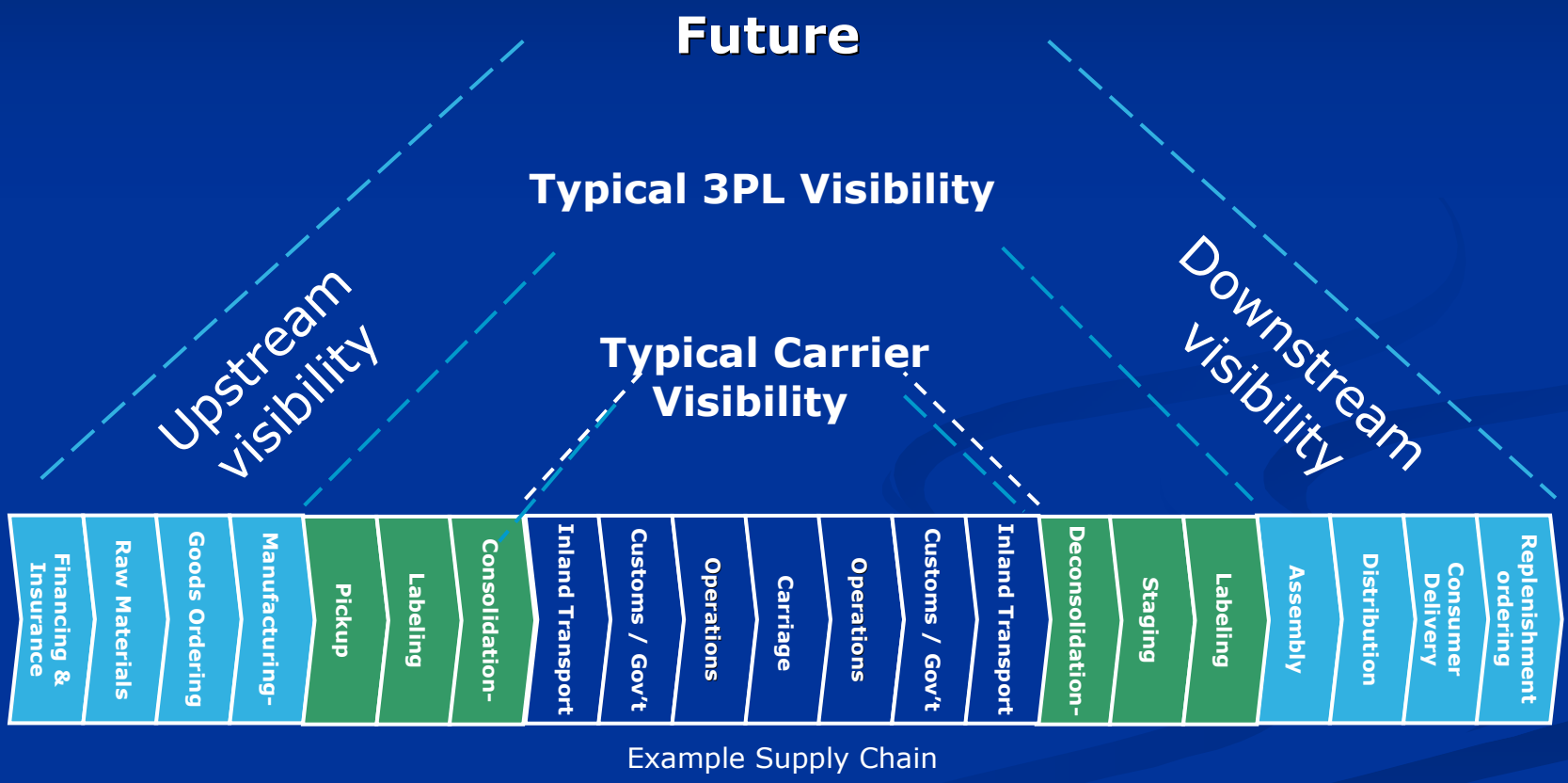
- Military organic vessel operations
- Maritime Security Program (MSP)
- Voluntary Intermodal Sealift Agreement (VISA)
- Joint Planning Advisory Group
- US Merchant Mariners

# DoD Distribution Process

## US Transportation Command is the Distribution Process Owner



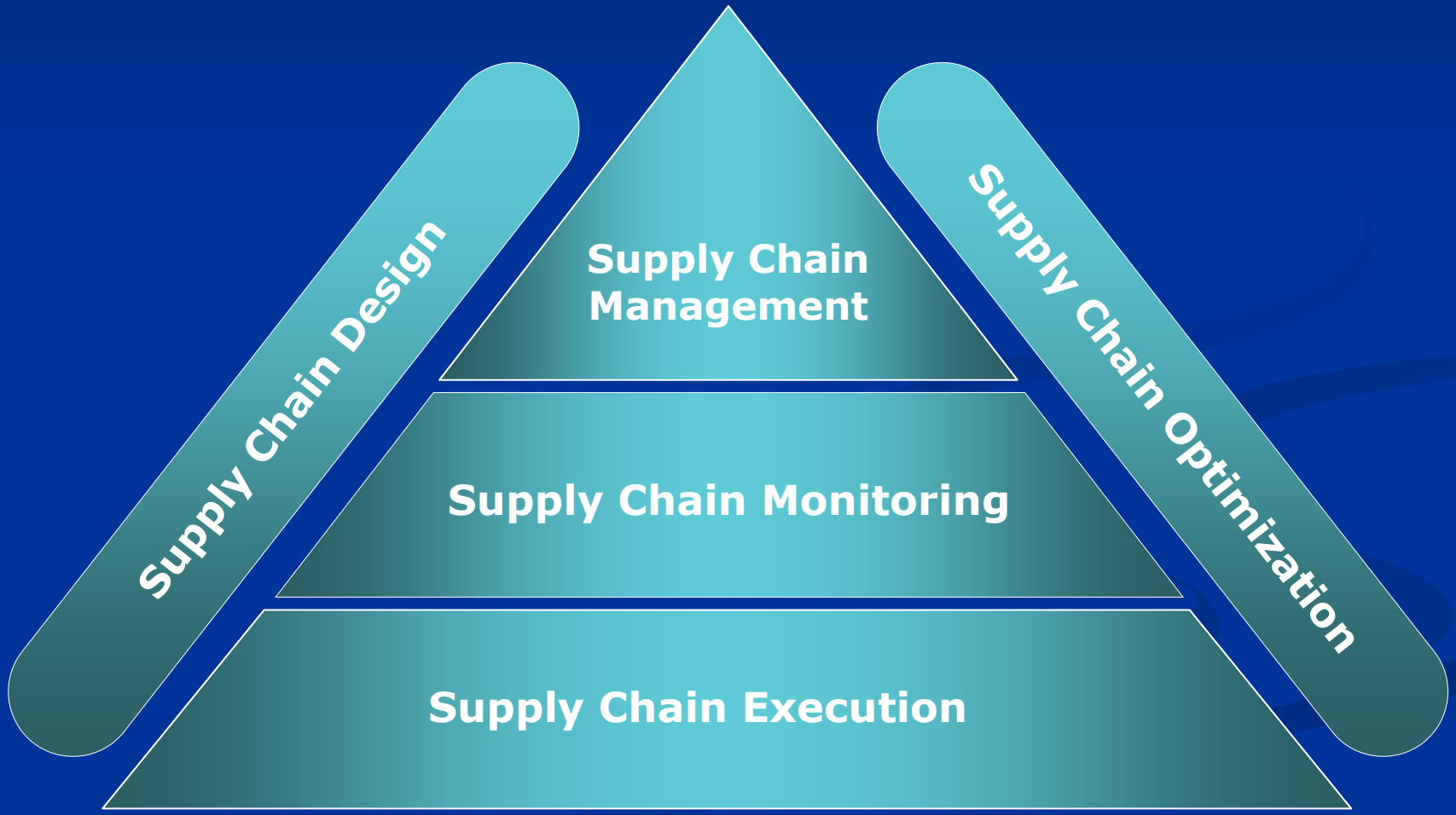
# Supply Chain Management Visibility




Example Supply Chain

# Commercial Supply Chain Management

## Broad View



# Some of our clients

# Government – Commercial Model

**Formula:**

**90% of Commercial SCM services applicable to defense space**

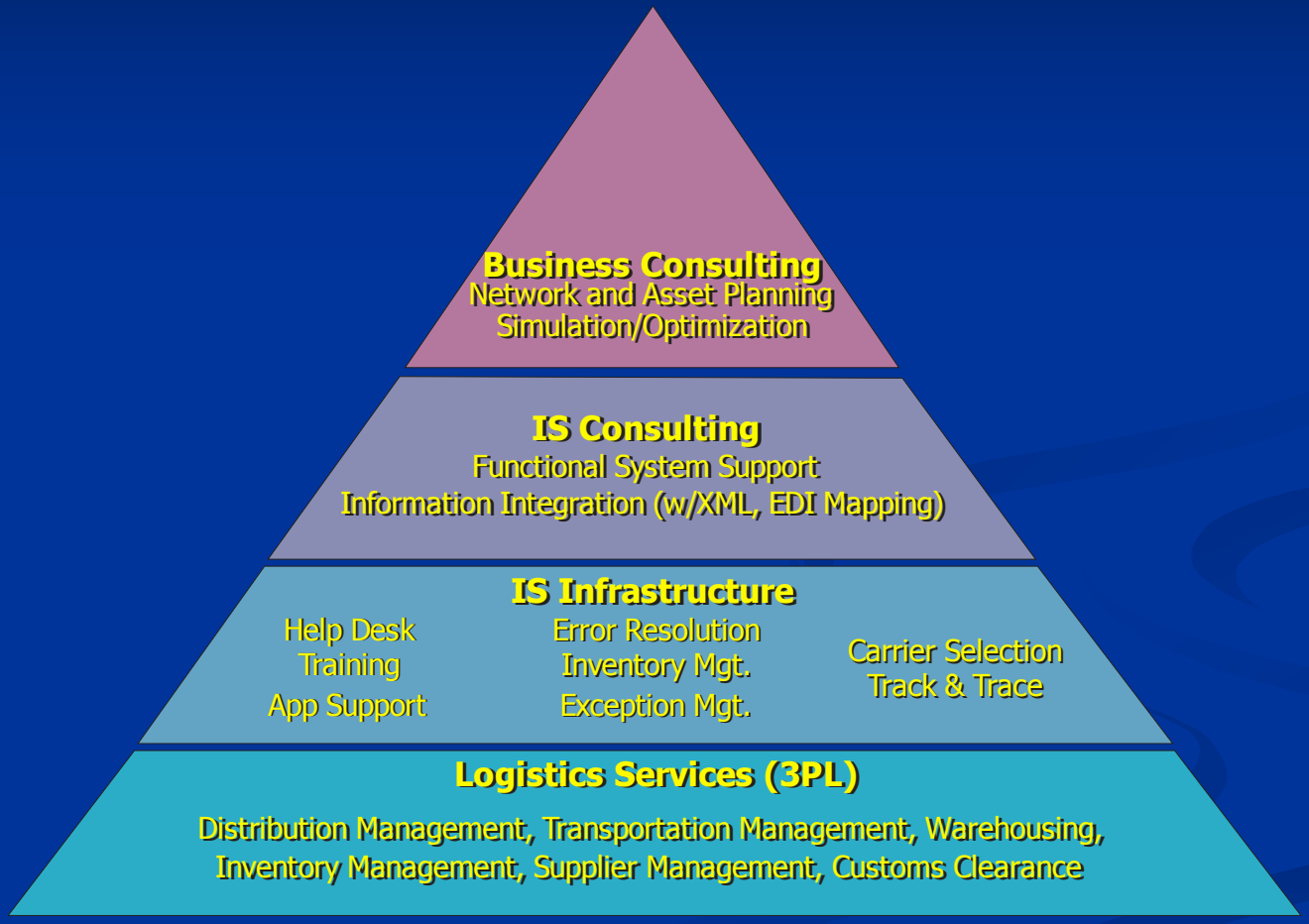
**+**

**Commercial services -- augmented, expanded and/or tailored**

---

**Superior Value Creation**

# Maersk Integrated Defense Logistics Products and Services




**Services can be bundled or offered separately.**


MAERSK
Partnerships Add Value

# NDIA Logistics Conference

## Supply Chain Integration Challenges & Success Stories

**Andrew Jones, Vice President**
**Government / Defense Sector**
**UPS Supply Chain Solutions**

# Commercial and military customers face several similar challenges in implementing streamlined supply chains; among them…

**Meeting extremely demanding service levels (effectiveness) while controlling ever-increasing costs (efficiency).**

**Ensuring consistent service levels across multiple geographies and operating units – addressing globalization, acquisitions, and divestitures.**

**Understanding that supply chains need to work as well in reverse and they do in forward.**

**Hiding and eliminating supply chain seams that cause delays, service interruptions, and excess costs.**

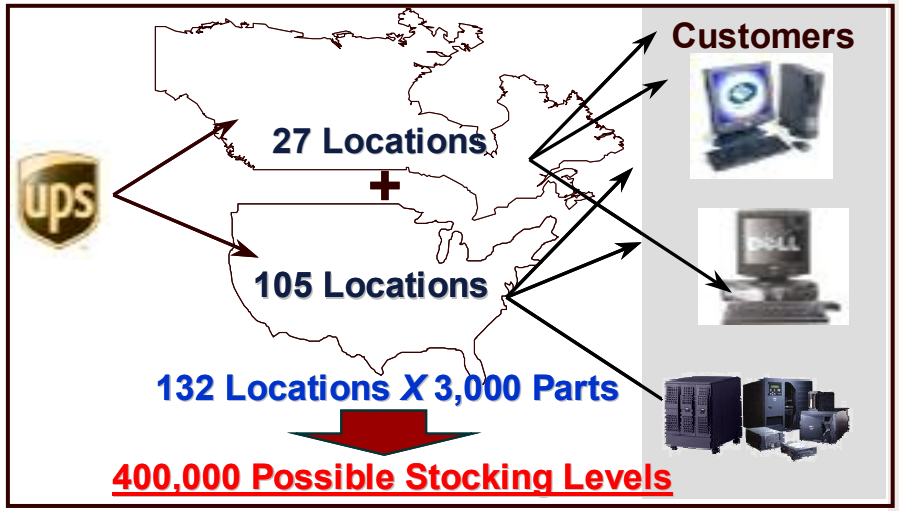
# Dell uses supply chain superiority as a competitive advantage.

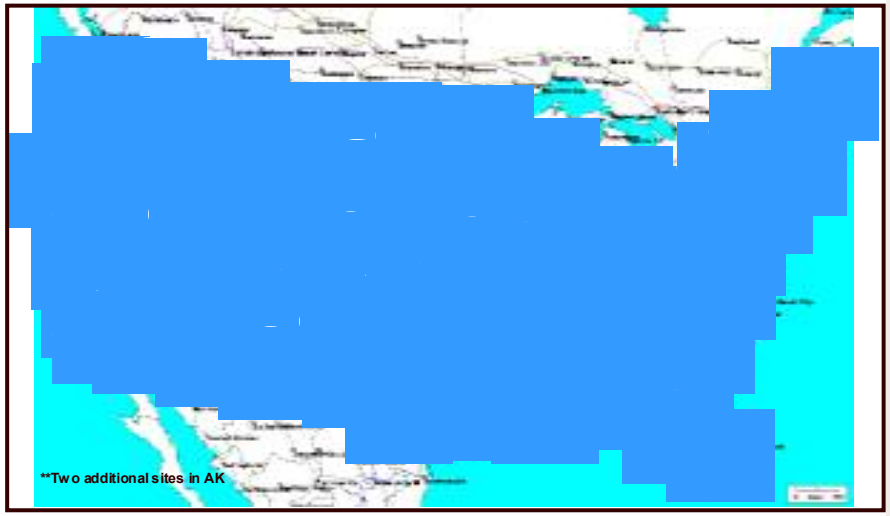
To maintain unparalleled service levels across the entire US, Dell developed a service parts network

Same day service to 99% of US population

Centralized replenishment minimizes inventory levels throughout US and Canada

Use of third-party shifts costs from fixed to variable



# Growth and globalization put pressure on costs and effectiveness for a leading medical diagnostics firm.

Managed more than 2 million deliveries per year across more than 30 providers; depended upon 25+ IT systems

Service levels varied significantly by geography; growth fueled further disparities

## Solution

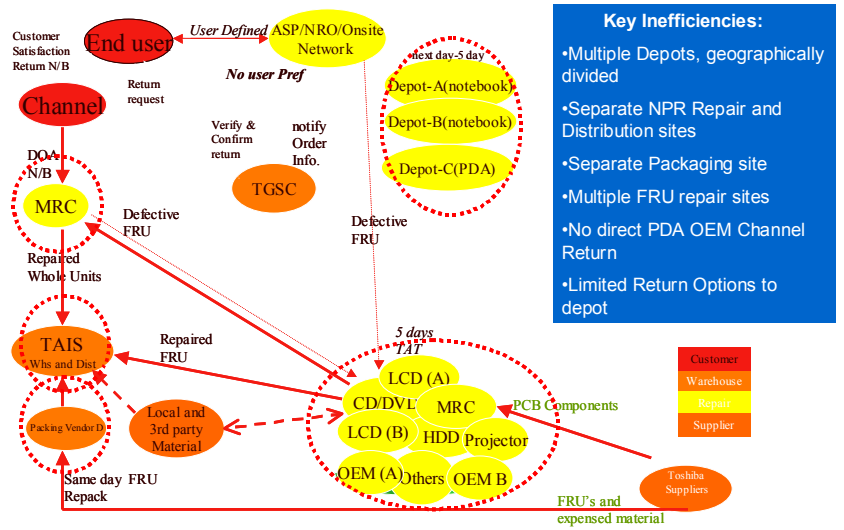
Hired “one throat to choke” for all transportation and warehousing of critical parts – globally. Service levels improved by 75% in some geos.

Implemented a single global IT platform for all orders/shipments one central system of record for every transaction

# Toshiba needed to reduce its laptop repair and logistics costs, while improving customer service.

## Challenges / Goals

- Reduce excess cycle time and inventory investment
- Dramatically reduce fixed expense
- Improve control of warranty cost recovery
- Create a standardized repair and reporting methodology
- Improve customer satisfaction through cycle time improvement, reduction in repeat returns




**Key Inefficiencies:**

- Multiple Depots, geographically divided
- Separate NPR Repair and Distribution sites
- Separate Packaging site
- Multiple FRU repair sites
- No direct PDA OEM Channel Return
- Limited Return Options to depot

## Results

- Eliminated 8 days of inventory, as well as nearly $1M in depot consigned inventory
- Reduced repeat repair incidents by 41%
- Next day returns improved by 17%
- Statistically significant increase in "delighted" customers

TOSHIBA

# Cisco Systems wanted to re-engineer its supply chain to better serve a global customer base.

## Challenge

Managing multiple service providers

- Supplier to Cisco
- Supplier to customer
- Cisco to customer

## Solution

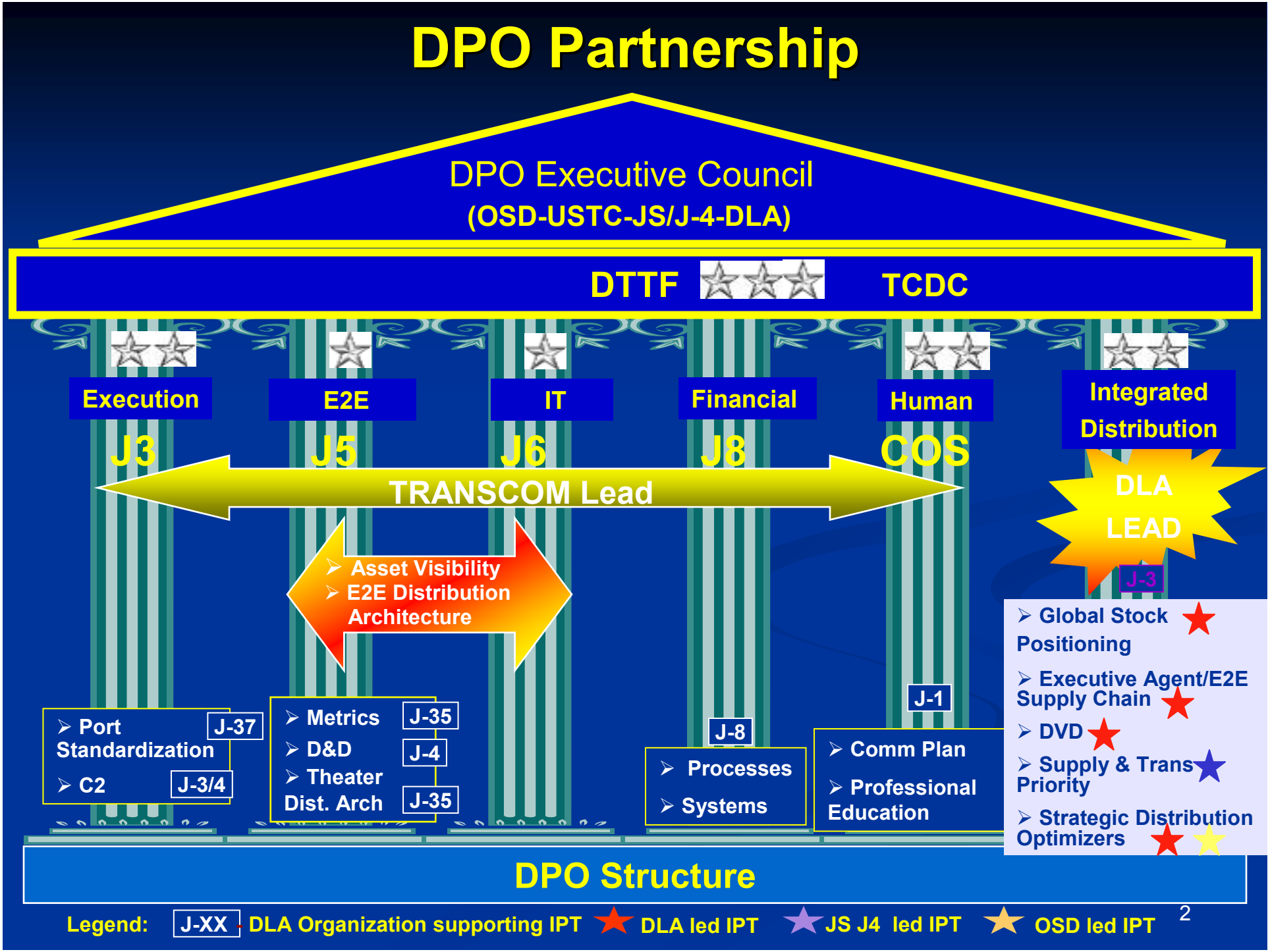
Created an integrated solution that included cross-docking, order fulfillment and value added services occurring from a centralized European distribution center.

- Consolidated transportation carriers
- Provided a single point of contact for Europe shipments
- Achieved on-line visibility of the supply chain
- Enabled time-definite deliveries and consistent rates
- Handled customs clearance, documentation, billing and carrier selection

# DLA-USTRANSCOM Partnership
# Distribution Initiatives

Ms. Scottie Knott
Deputy Director
DLA Logistic Operations
March 1, 2005

# DPO Partnership



# DDC Contributions to the War Fight

Pure Pallet:

- Consolidate materiel on 463L pallets for a specific unit or group of units for direct delivery to the War Fighter.
  - Worked with CENTCOM to designate 47 USA and 3 USMC Pure-Pallet units.
  - Concept identified as contributing factor in reducing order-ship-time for 463L pallets.

**Shipped nearly 40,000 463L Pallets last 12 months supporting OIF**

Built New Depot and Positioned Stock:

- Move materiel closer to the War Fighter to reduce order-ship time and minimize transportation costs.
  - Established Defense Distribution Depot Kuwait (DDKS) Sep 2004
  - 8,266 NSNs in stock as of 18 Feb 2005

**Cost Avoidance**
**$52.7M**
**C-17 Equivalents = 328**

Global War on Terrorism:

- MRO's processed: 10,445,942
- Short Tons: 1,249,657
- Dollar Value: $38.9B

**DDC Roll-Up**
**- Open Storage: 21,4M sq ft**
**Inventory: $88.2B**
**Lines: 6.1M**
**NSNs: 3.9M**
**Employees: 8,191**

# Global Stock Positioning

***Objective:***

- ***Reduced customer wait time, reduce transportation costs and demand for critical airlift through the pre-positioning of inventory forward and the enhancement of in-theater distribution capabilities***

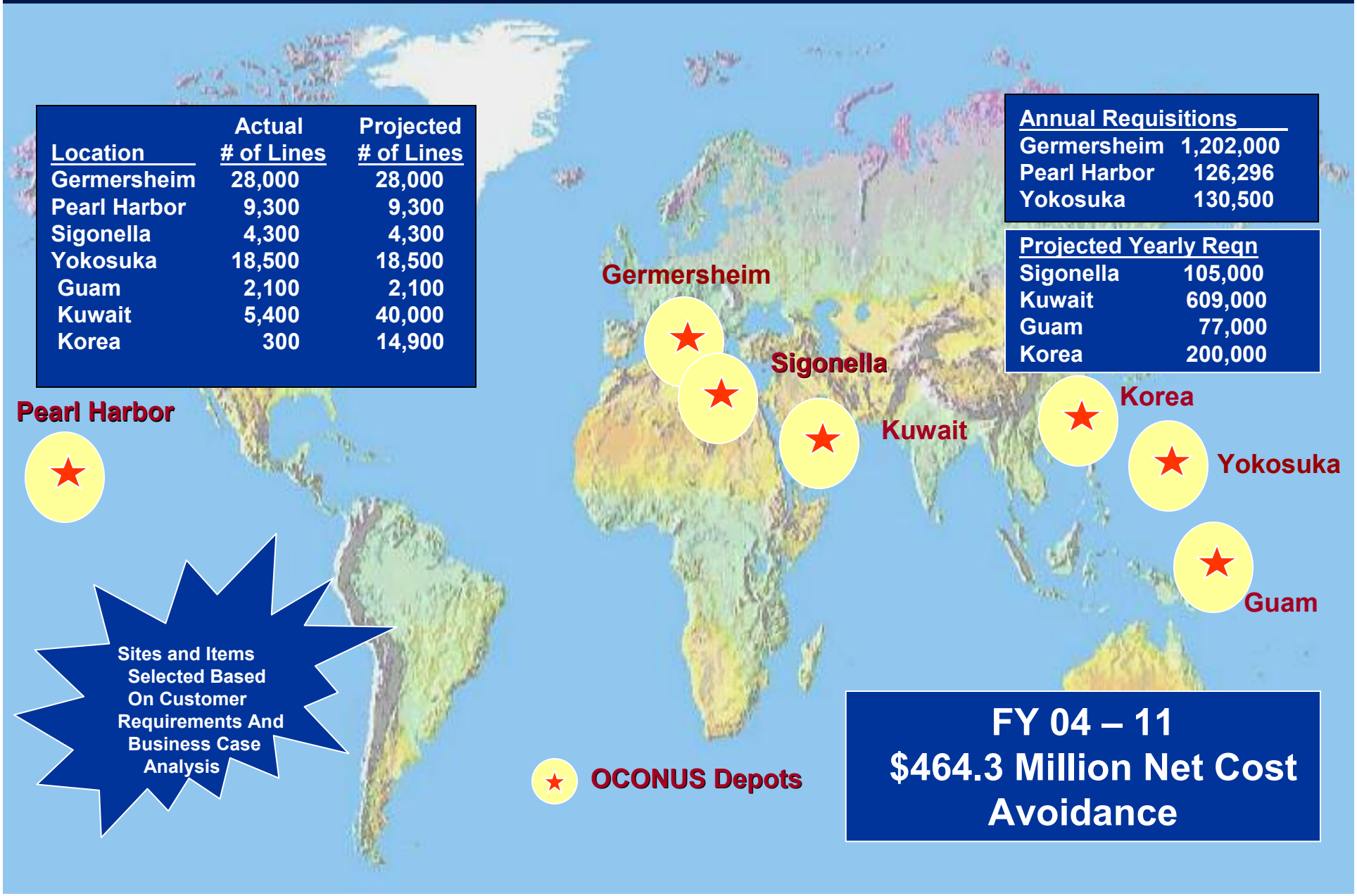
## Part of DoD Integrated Distribution Strategy


**Progress To Date:**

- Seven forward depots
- DLA Afloat Distribution Centers concept
- Deployable Depot concept
- Theater distribution center operation

***DLA Distribution – Flexibility to Support Current & Future Logistics Concepts***

# Fixed Based Forward Stocks



| Location | Actual # of Lines | Projected # of Lines |
|---|---|---|
| Germersheim | 28,000 | 28,000 |
| Pearl Harbor | 9,300 | 9,300 |
| Sigonella | 4,300 | 4,300 |
| Yokosuka | 18,500 | 18,500 |
| Guam | 2,100 | 2,100 |
| Kuwait | 5,400 | 40,000 |
| Korea | 300 | 14,900 |

| Annual Requisitions | |
|---|---|
| Germersheim | 1,202,000 |
| Pearl Harbor | 126,296 |
| Yokosuka | 130,500 |

| Projected Yearly Reqn | |
|---|---|
| Sigonella | 105,000 |
| Kuwait | 609,000 |
| Guam | 77,000 |
| Korea | 200,000 |

Germersheim

Sigonella

Kuwait

Pearl Harbor

Korea

Yokosuka

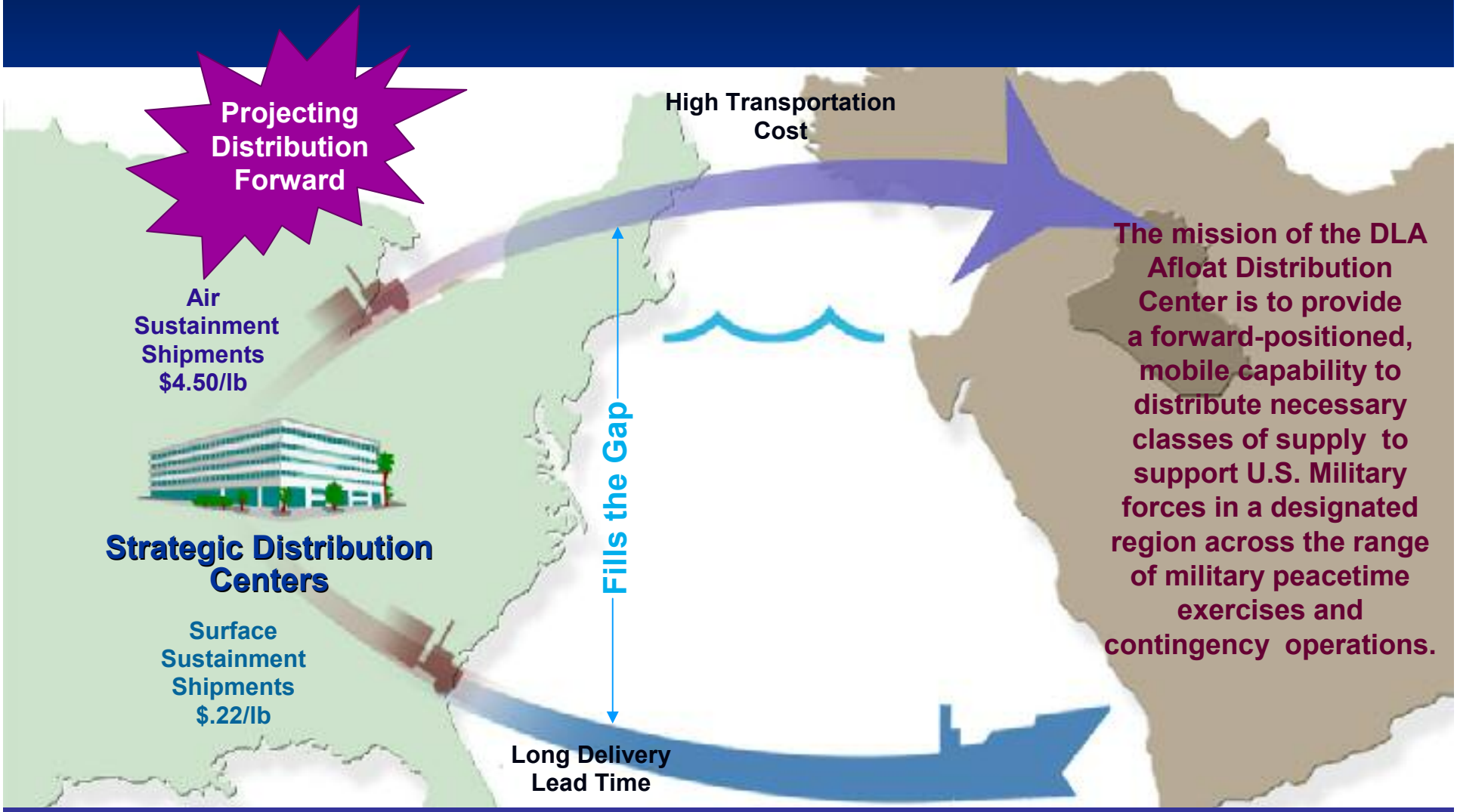
Guam

Sites and Items Selected Based On Customer Requirements And Business Case Analysis

OCONUS Depots

**FY 04 – 11**
**$464.3 Million Net Cost Avoidance**

# DLA Afloat Distribution Center

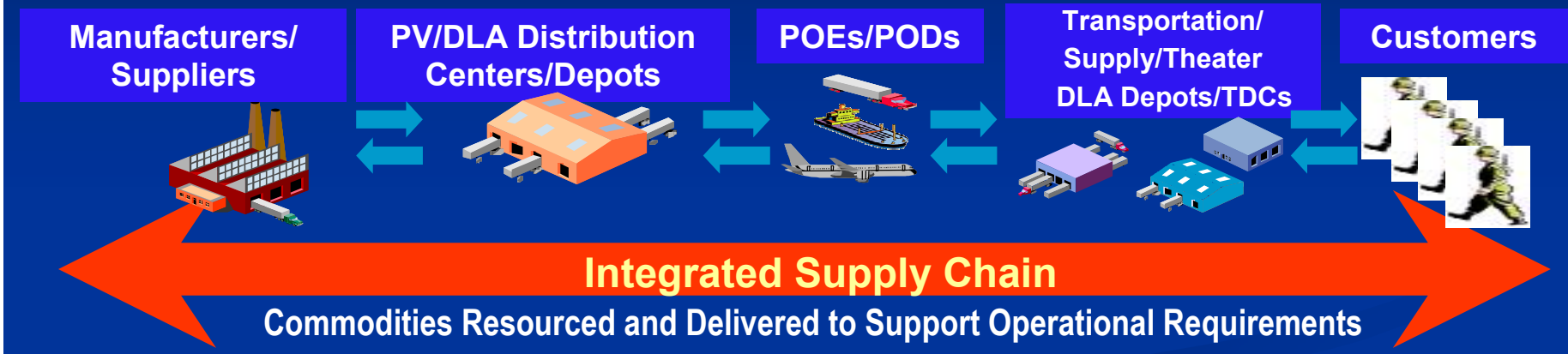



*Leverages Peacetime Capabilities to Meet Wartime Operations*

# Executive Agent/E2E Supply Chain

***DUSD(L&MR) Tasking:***

- ***Lead a disciplined joint process to deliver improve, uninterrupted "end-to-end" commodity-based support to the warfighter through increased supply chain integration, efficiency and effectiveness***




***What we're doing -***

- ✓ ***Mapping by Commodity***
- ✓ ***Focusing on Seams and Gaps***
- ✓ ***Linking to Distribution Asset Visibility***

DLA Executive Agent:

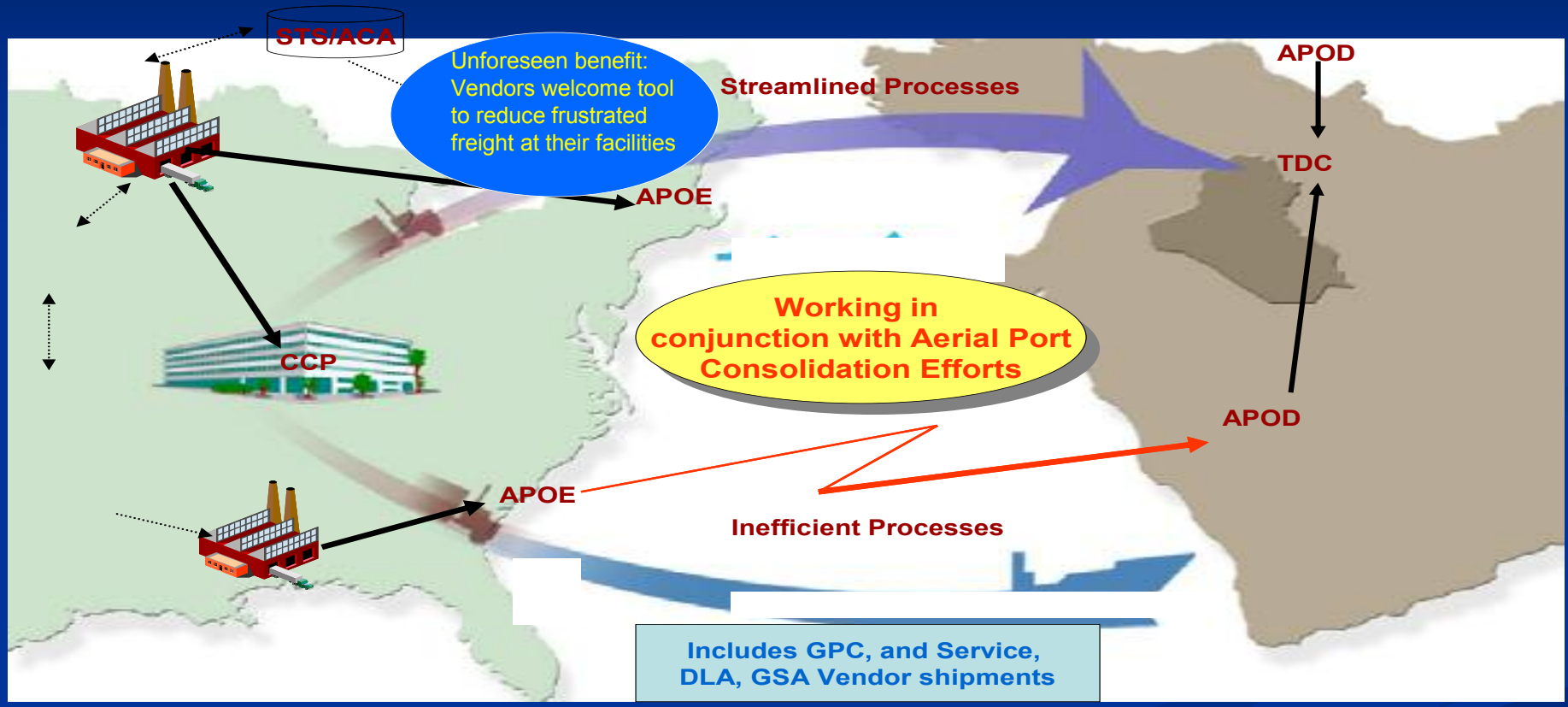
- ✓ Class I - Subsistence
- ■ Class II – Individual Equipment (Pending)
- ✓ Class III - Bulk Fuels
- ■ Class IV – Construction and Barrier Materiel (Pending)
- ✓ Class VIII - Medical Materiel

**Linked to USTRANSCOM End to End Distribution Architecture IPT**

# Direct Vendor Delivery (DVD) Processes

***Objective:***

- ***Smooth transition of vendor shipment into DTS entry points and handling nodes, including advance notice of shipments and ITV***




**What's been done?**

- ✓ Worked to develop on-line training
- ✓ Developed Business Rules
- ✓ Issued Guide for Overseas Shipments
- ✓ Trained Agency Card Coordinators

**What's Next**

- GPC Pilot Underway to support integration of GPC shipments into DTS
- Validate and Implement pilots GPC integrated solution
- Improve Level 6 data on DVD shipments
- Develop metrics

# Distribution Optimizer
# DLA AMC Air Cargo Consolidation

***Objective:***

- ***Maximize pure pallets to customers by ensuring all CCP eligible materiel is consolidated at the CCPs before arriving at APOEs***

Progress To Date:

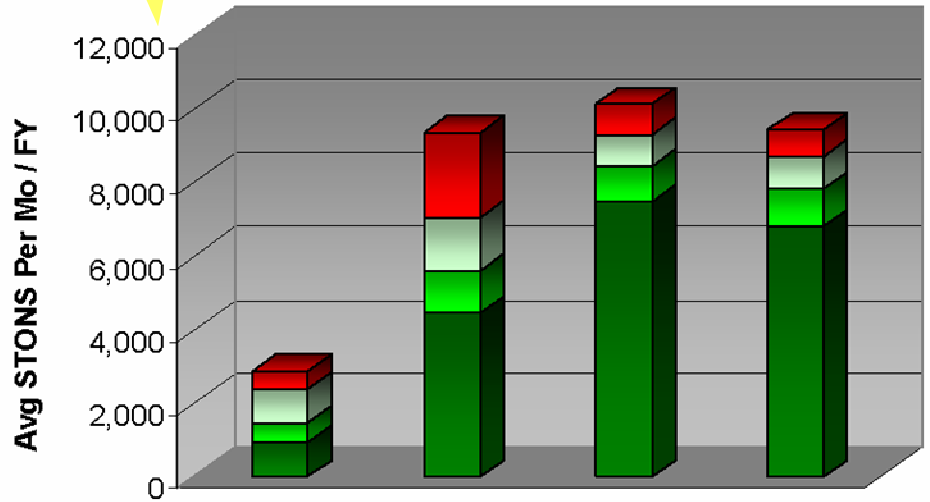
- Modified DLA distribution system to:
  - Provide 463-L pallet dimensions
  - Provides e-mail notification to the AMC aerial ports
  - Automatically route CCP-eligible Army and USMC requisitions to the consolidation points

Next Steps

- Work with Navy and AF for possible consolidation
- Develop advanced predictive solution to provide estimate of cargo that will arrive at ports

**FY03 to FY04 Reduction of 17% = 1,455 STONS/ Mo**

**Depot Cargo Aerial ports FY02-FY05 to date**




| Cargo Category / FY | FY02 | FY03 | FY04 | FY05 |
|---|---|---|---|---|
| Loose, CCP Eligible | 17% | **25%** | **8%** | 8% |
| Loose, Svc less - Army | 32% | 16% | 8% | 9% |
| Loose, APOE Only | 18% | 12% | 10% | 11% |
| Air Pallets | 32% | 48% | 74% | 72% |

# USSOUTHCOM

## NDIA National Logistics Conference - COCOM Panel

BGen Lehnert

2 Mar 05

# 5 Most Critical Desired Operational Logistics Capabilities

- Real In-Transit Visibility
- Interoperable Information Technology
- Joint Logistics System standardizing supply management
- Intuitive response system
- Real Joint Theater Logistics

# 5 Most Important Actions Where Military Services Can Help

- Exercise Logistics
- Equipment standardization
- Improved reliability and efficiency
- Streamlined acquisitions
- Connectivity w/ coalition partners

# 5 Most Important Areas Where Industry Can Help

- Surge capability/ability/responsiveness
- System integration
- Share best practices
- Industry mentors at Major Commands
- Better collaboration among partners

# 5 Most Critical Desired Operational Logistics Capabilities

- Real In-Transit Visibility
- Interoperable Information Technology
- Standardized joint Business practices for all classes of Supply
- Intuitive response system
- Real Joint Theater Logistics

# NDIA 21st National Logistics Conference


# Defense Logistics Agency

***Optimizing Today's Performance -***
***Delivering Tomorrow's Capabilities -***

**VADM Keith Lippert, SC, USN**
**Director, Defense Logistics Agency**
**March 2, 2005**

# The DLA Enterprise

| | |
|---|---|
| FY01 Sales/Services: | $17B |
| FY02 Sales/Services: | $21.5B |
| FY03 Sales/Services: | $25B |
| FY04 Sales/Services: | $28B |
| FY05 Projection: | $28.7B |

- Land/Maritime/Missiles: $2.7B
- Aviation: $3.4B
- Troop Support: $11.9B
- Energy: $7.0B
- Distribution: $2.6B
- Other: $1.1B

- ~95% of Services' repair parts
- 100% of Services' subsistence, fuels, medical, clothing & textile, construction & barrier materiel

## Foreign Military Sales

- Sales: $813.8M
- Shipments: 501K
- Supporting 124 Nations

## Scope of Business

- 54,000 Requisitions/Day
- 8,200 Contracts/Day
- #55 Fortune 500 – Above Northrop Grumman
- #2 in Top 50 Distribution Warehouses
- 26 Distribution Depots
- 5.2 Million Items
- 24.7M Annual Receipts and Issues
- 1411 Weapon Systems Supported
- 144.0M Barrels Fuel Sold (FY 04)
- $14.6B Annual Reutilizations/Disposals

## People

- 21,429 Civilians
- 528 Active Duty Military
- 615 Reserve Military
- Located in 48 States/28 Countries

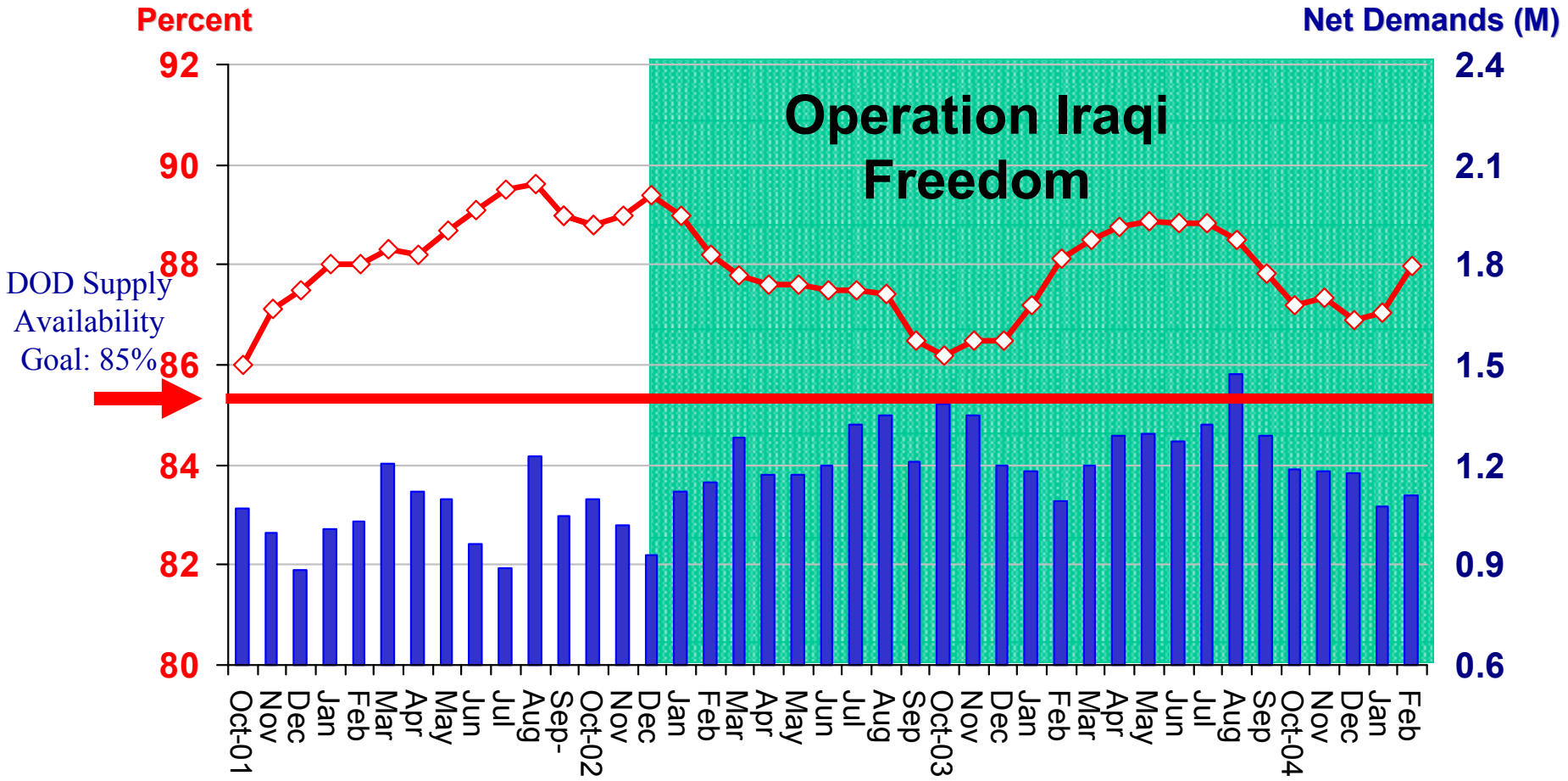
# Logistics in Support of National Security

## *War Fighter's Measures of Effectiveness for the Agency*

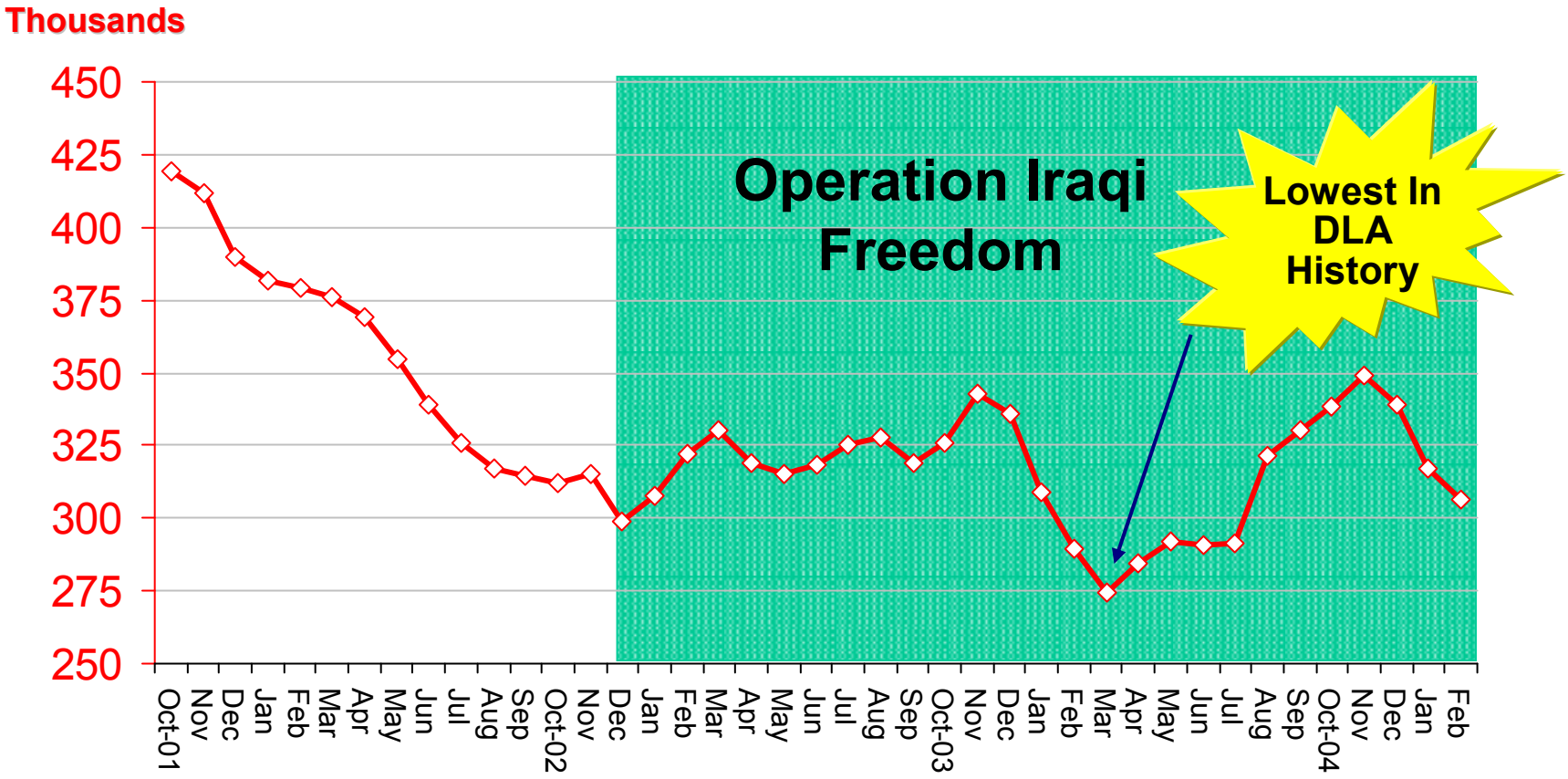
- **Material Availability**
- **Customer Wait Time**
- **Cost**
- **End-to-End, Tailored Logistics Solutions**

***Support Beyond the War Fighter***

# *Executing Today's Performance:* Supply Availability

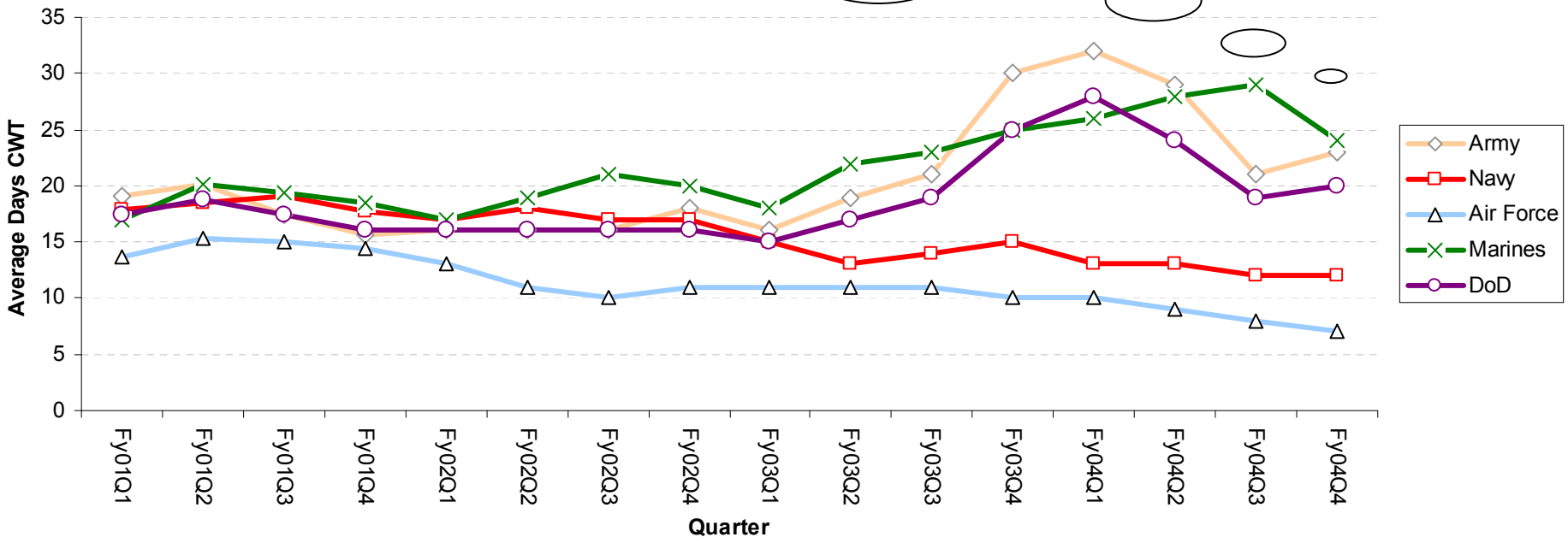


# *Executing Today's Performance:* Backorders



# *Executing Today's Performance:* Customer Wait Time

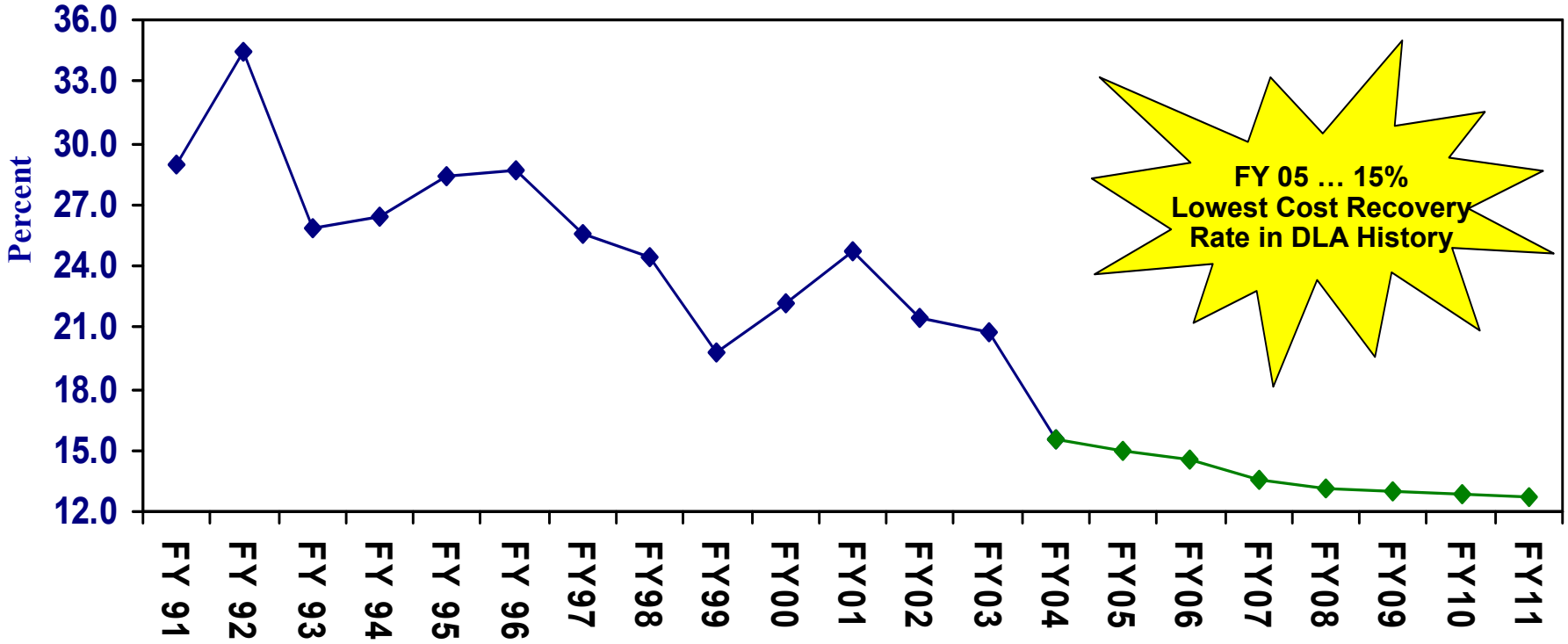
***Holding the Line in the Face of Record Demand***



# *Executing Today's Performance:* Cost Recovery Rates

CRR %

(*Operating Costs as a Percentage of Total Sales*)




Savings For The Warfighter

# *Executing Today's Performance*

- **Distribution Process Owner**
- **Kitting**
- **Global Stock Positioning**
- **Hurricane Relief**
- **Tsunami Relief**

# *Tomorrow's Capabilities…* Transformation

- **Customer Relationship Management - CRM**
  - Processes, tools and people to move from transaction-based to partner relationships
- **Supplier Relationship Management - SRM**
  - Strategic Material Sourcing for 500,000 business drivers
  - Strategic Supplier Alliances with 32 critical suppliers
- **Distribution Planning Management System – DPMS**
  - Optimizing materiel positioning-repositioning
  - First – Second Destination Materiel Routing Optimization
- **Business Systems Modernization - BSM**
  - End-to-end ERP
  - Order fulfillment, Planning, Procurement, Financial
- **Integrated Data Environment - IDE**
  - e-Synchronizes DLA's internal processes
  - Provides DoD-wide log data exchange & interoperability

**$3 Billion Savings for Services**

**5 of 11 Major Transformation Initiatives**

# Concerns

- GWOT, OEF/OIF, … demand for resources
- Next Big Requirement, … demand for resources
- Transformation … demand for resources
- BRAC … demand for resources
- QDR … demand for resources

***Mission First***
***Balanced Focus –***
***Proper Resource Allocation***
***In Exceptionally Complex and Dynamic Environment***


LOCKHEED MARTIN
Lockheed Martin
Lifetime Support Operations

# Enterprise Logistics

- Primarily Performance Based Logistics Contracts Today to Support LM Weapon Systems and Commercial
- Includes Command and Control Systems for Logistics Processes
- Moving Towards Total Sustainment of Systems that Comprise Both LM and other OEM Components, Involving Automated Supply Chain Management, Maintenance Free Operating Period Design, Distance Support and Total Asset Visibility

# Design to Disposal™ Intelligent Logistics Architecture

SCM+™ SUPPLY CHAIN MANAGEMENT PLUS

**Maintenance Assist**
- Web-enabled distance support ~ NavalSupport.com
- Field rep maint. Ass't application ~ eLert
- Distance training ~ IETM

**Prognostics & Health Mgmt Sensor Algorithms**

**Condition Based Maintenance Process**

**"O" Level Maint. Action**

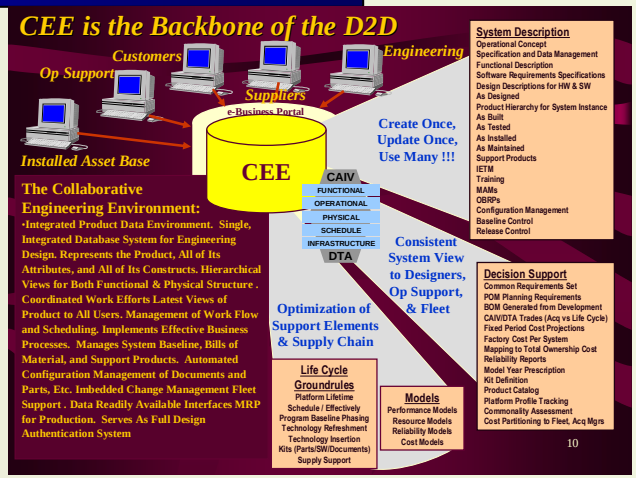
**Intelligent Supply Chain Management ~ SCM Command Center**
1. Electronically accept requisition (MILSTRIP, EDI, …)
2. Query CM data base to validate correct part is being ordered
3. Validate software compatibility
4. Determine Safe Stocking Level
5. Contact 3PL for shipment and TAV
6. Validate delivery and carcass return

**Creates demand**

**Failure Analysis ~ SILC**
- trending
- training related
- engineering related
- process related

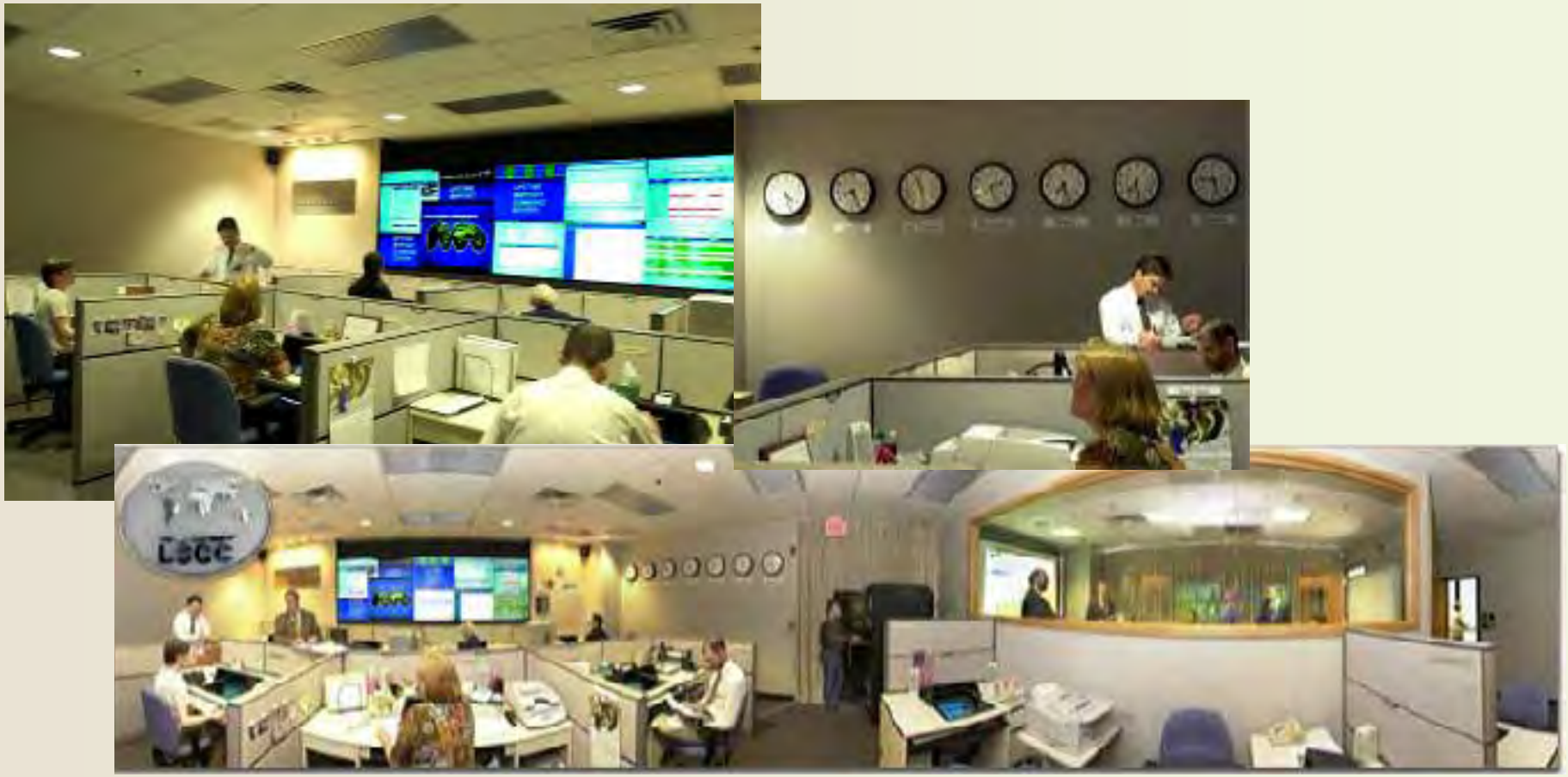
**Update Real-Time Demand Forecast & Adjust inventory buys & Schedules**

- Single problem or trend
- Root cause analysis
- Correct IETM
- Hardware/Software ECP
- Process Change



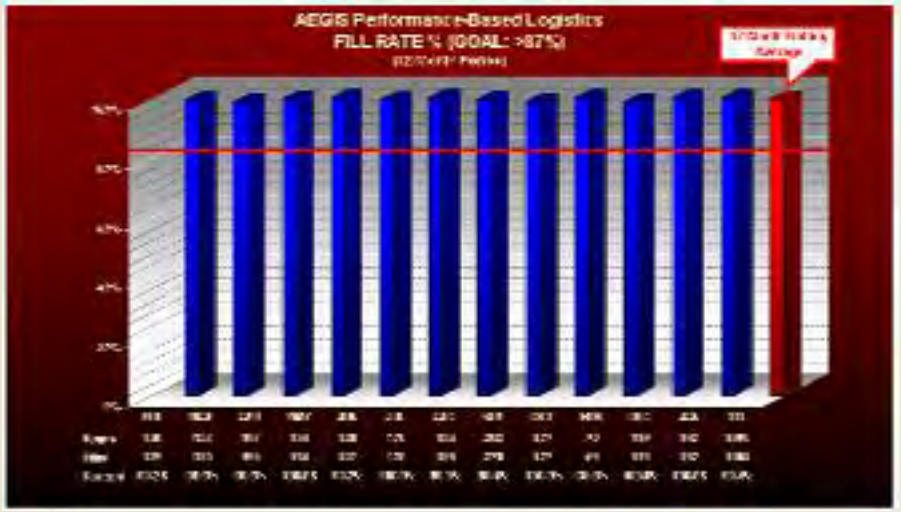

**Autonomous & Intelligent Design to Disposal Management & Control of Maintenance, Engineering, CM, Training, Field & Distance Support, Supplier/Repair, Warehouse, Inventory, Transportation, PHM, Government Interfaces & Portals**

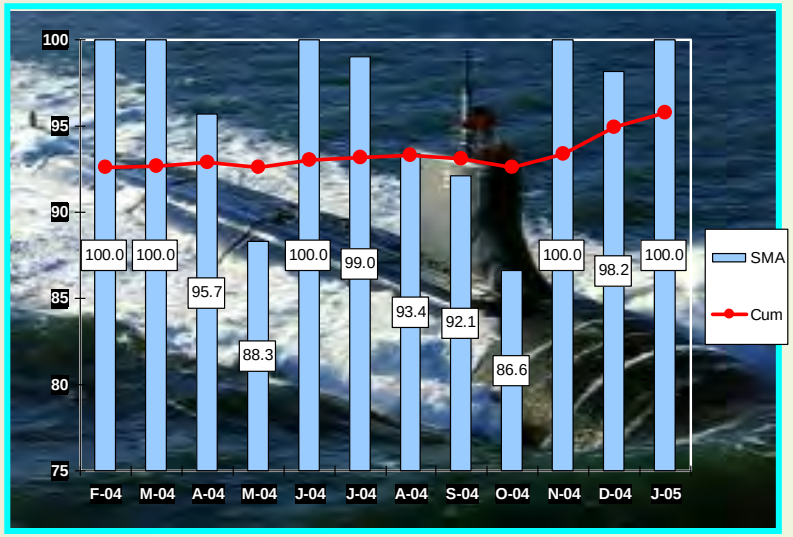
# Lifetime Support Command Center (LSCC)

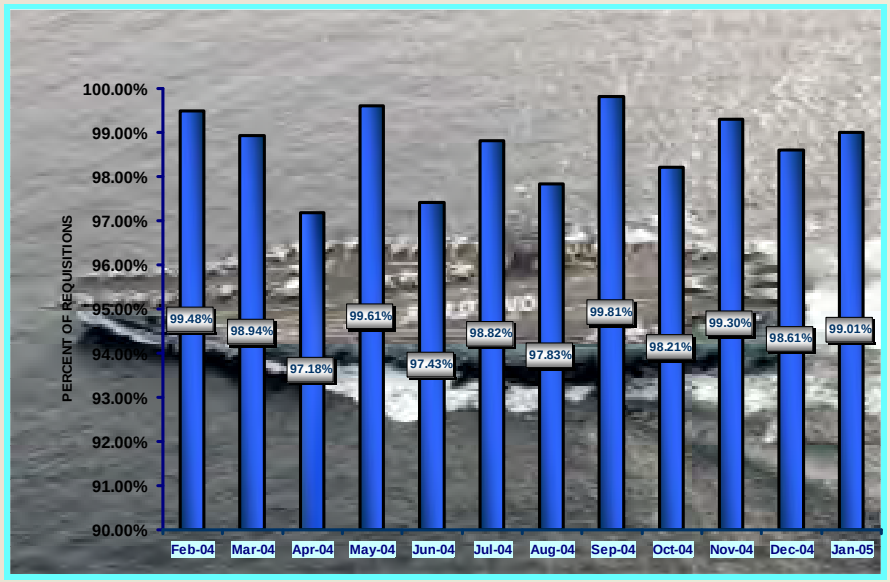



***Our Command Center is in use TODAY***

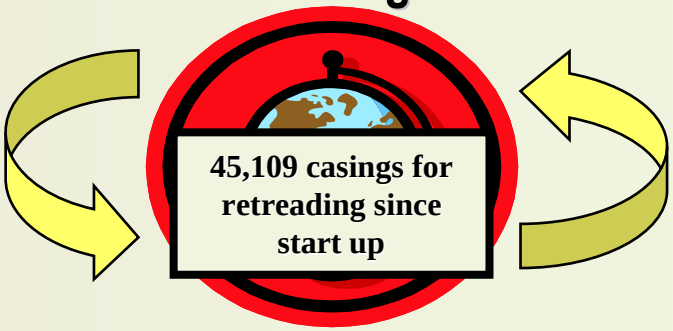
# PBL Performance in OEF/OIF




## Reverse Logistics




**Call 1-866-686-0060**

**From anywhere in the WORLD**

# Combining the Best Commercial and DOD Processes





# Total System Support Responsibility
# From Systems to "Systems of Systems"

***Base of In-Place System Level Lifetime Support & Performance Based Logistics Contracts***

---

***Surface Combat System Related***

- *AEGIS Lifetime Support ~ MS2 Moorestown*
- *MK-41 VLS ~ MS2 Baltimore*
- *MK-92 FCS ~ LMIS Huntsville/Moorestown*
- *USQ-70 ~ MS2-Eagan*

---

***Naval Aviation Related***

- *S-3 PVS ~ Aero Marietta*
- *CASS ~ LMSTS Orlando*
- *LANTIRN PBL ~ M&FC, Orlando*
- *Navy Aircraft Tires ~ MS2 Moorestown*
- *H-60 ~ LMSI / Sikorsky JV*

---

***Submarine Related***

- *BSY2 POSS ~ MS2 Syracuse*
- *ARCI PBL ~ MS2 Manassas*

---

***Army***

- *JAVELIN ~ M&FC*
- *HIMARS ~ M&FC*

***System of Systems Total Platform Support***

***Total System Support Responsibility Ultimate Goal: Maintenance Free Operating Design & Autonomous Support***

***D2D/ALIS for Autonomic Logistics***

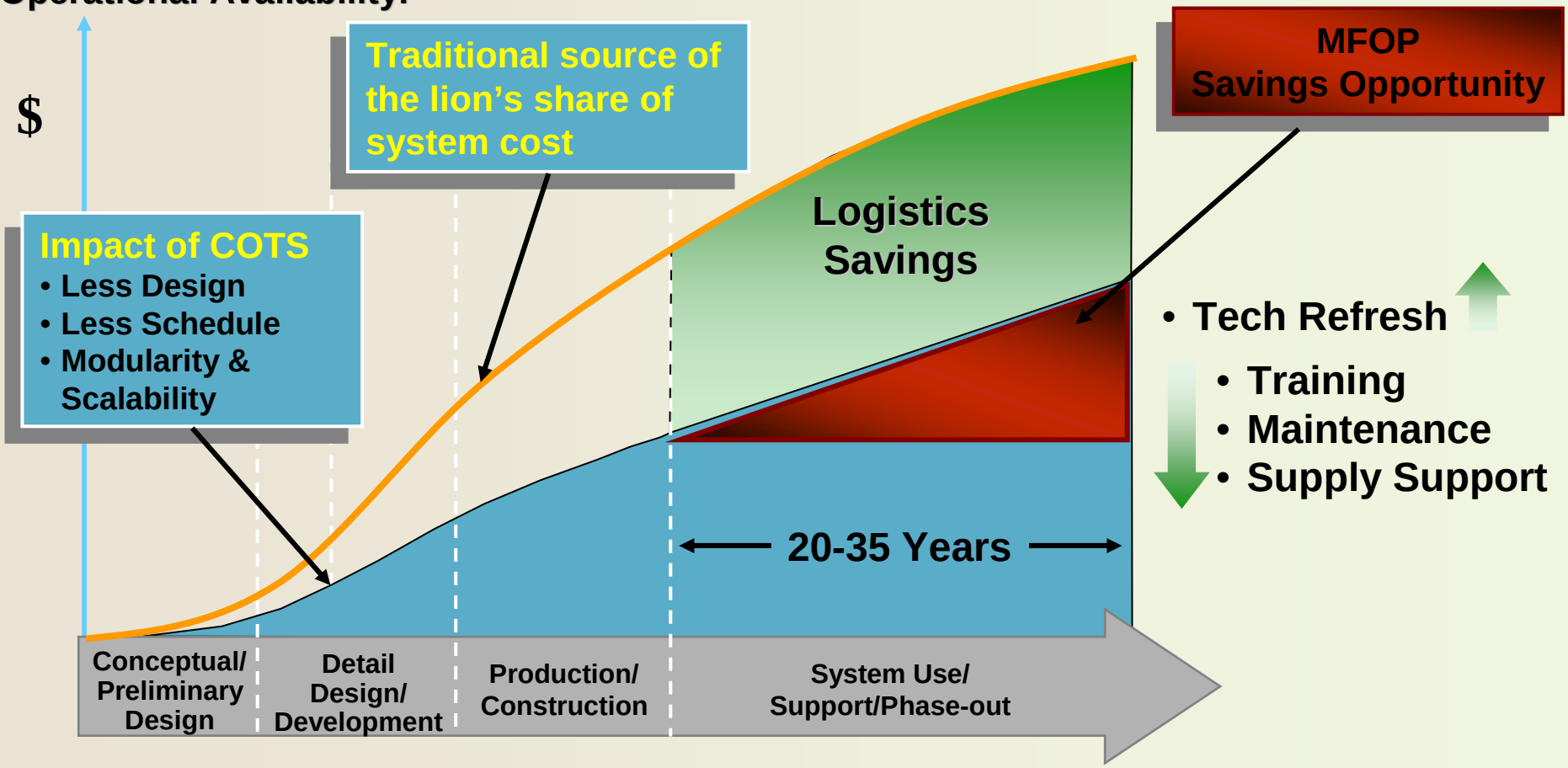
- *F-117 TSPR ~ Aero*
- *F-35 TSPIR ~ JSF*
- *Deepwater ~ MS2*
- *THAAD ~ Space*

***New Major System Program Pursuits***

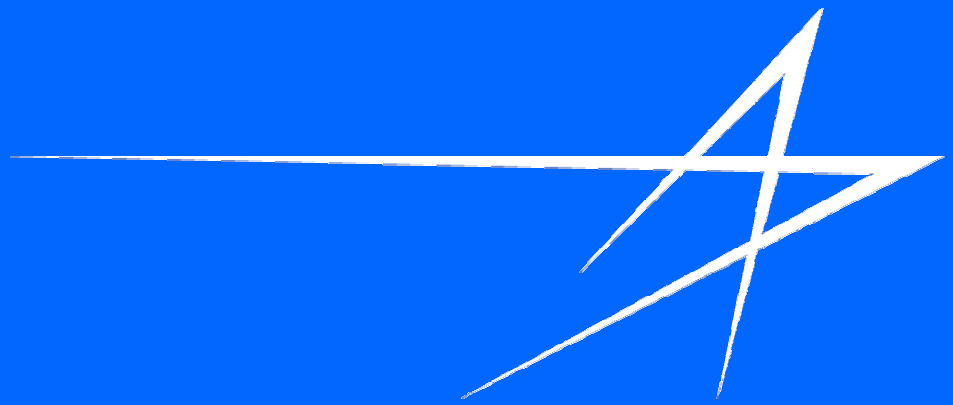
- *Littoral Command Ship ~ MS2*
- *MUOS ~ Space*
- *SBR ~ Space*

# Maintenance Free Operating Period (MFOP) - Wedge of Opportunity

•**MFOP - Eliminates maintenance and the need for associated support while aligning logistics actions with preplanned COTS Technology Refresh and Insertion for improved Operational Availability.**




**Cumulative Life-Cycle Costs Incurred by the Program/System**



# CONTRACTORS ON THE BATTLEFIELD
# PROBLEMS IN PERSPECTIVE

TSGI

*The SYTEX Group, Inc.*

PRESENTED BY SYDNEY F. MARTIN, PRESIDENT

3 MARCH 2005

# CURRENT STATUS

- 200+ PERSONNEL IN SWA THEATER
- PERSONNEL IN OTHER "HOT SPOTS"
- ONE COMBAT CASUALTY
- ONE MEDICAL EVACUATION

TSGI
The SYTEX Group, Inc.

# INSURANCE ISSUES

DEFENSE BASE ACT (DBA)

-EXPENSIVE

-VARIABLE

-MANDATED

LIABILITY INSURANCE

-ESSENTIAL

-DIFFICULT TO QUANTIFY RISKS

-WAR CLAUSE EXCLUSIONS

-VERY EXPENSIVE

TSGI
The SYTEX Group, Inc.

# POTENTIAL INSURANCE SOLUTIONS

DBA: USE DEPARTMENT OF STATE METHOD

LIABILITY: (A) INDEMNIFY CONTRACTORS

(B) PROVIDE ACCESS TO LIABILITY INSURANCE

TSGI
The SYTEX Group, Inc.

# ARMING ISSUES

- DUALITY (CONTRACTOR - MILITARY)
- LIMITATIONS
- UNWILLINGNESS OF TROOPS TO ACCEPT RESPONSIBILITY
- TRAINING ABSOLUTELY NECESSARY

TSGI
The SYTEX Group, Inc.

# LOGISTICS SUPPORT

- EVACUATION (COMBAT OR HEALTH)
- COMMUNICATIONS
- TRAVEL AND SUBSISTENCE
- TRAINING
- INTERFACE WITH HOST NATIONS

TSGI
The SYTEX Group, Inc.

# LEGAL

- INFRASTRUCTURE SUPPORT
- THREE LEGAL SYSTEMS
  - U.S. CODE
  - UCMJ
  - HOST NATION
- FARS/DFARS
- PERSONAL SERVICES

TSGI
The SYTEX Group, Inc.

# BUSINESS MODEL (PRICING)

- HIGH PRICE RISK
  - HOW ODCs ARE TREATED
  - OVERTIME ISSUES
  - DIFFERENT COST MODELS
  - TYPE OF CONTRACT
  - UNCERTAIN GFE
- STAFFING
- INCONSISTENCY AMONG KOs/COs
- GOVERNMENT CLIENT TRAINING

TSGI
The SYTEX Group, Inc.

# Attributes of Tomorrow's Success

"Speed, agility and a commitment to joint and coalition interoperability are core attributes of this evolving Navy"

*- CNO testimony to SASC hearing 10 Feb 2005*

Implications for….

- Technological innovation
- Commercial sector engagement
- Acquisition process innovation

Two key tenants: Capability and Affordability!

# Today's Snapshot

## Weapons System Support

***42K items***
***24% of Navy item demand***

**Component Support**

| | |
|---|---|
| • F/A-18E/F FIRST | Material mgmt for unique E/F items ….85% $A_o$ |
| • AEGIS SPY-1 | Full PBL of 1600 parts 87% availability |
| • CIWS | Increased reliability ……95% $A_o$ |
| • Aux Pwr Units | Ten fold increase in reliability |

**Weapons System Support**

| | |
|---|---|
| • Non-tactical A/C | Full CLS Support ( e.g. C-12) $200M/year |
| • Joint Strike Fighter | Full CLS plus Maint training/support |
| • MMA | Full CLS plus Maint support |
| • LCS/DD(X) | Mix of CLS/PBL/Traditional |

***Coverage expanding***

## Contracted Services

**LOGCAP:** Services support, cargo handling, MHE, transport, etc.

**CONCAP:** Construction and engineering services worldwide $226M

**Shipboard:** Maintenance Tech Assist, Technical Assistance Repairable Processing (TARP) reps

**Ship Support:** Husbanding, Voyage Repair

# Top Concerns/Opportunities

## Concerns

- **Clarity of roles & responsibilities**
- **Communication effectiveness**
- **Performance quality/consistency**
- **Force protection**

## Opportunities

- **Planning**
- **Communication**
- **Structure**
- **Capability**

The Washington Post

Friday, February 18, 2005

**Justice Dept. Weighs Status of Interim Authority In Iraq Case**

By Griff Witte
Washington Post Staff Writer

The Justice Department yesterday asked a federal judge for more time to consider taking a legal position that could have far-reaching implications for the handling of alleged contractor misdeeds in Iraq under the Coalition Provisional Authority.

U.S. District Judge T.S. Ellis III had sought guidance on a deceptively complex question: Was the CPA—which governed Iraq for a year after the fall of Saddam Hussein—an arm of

# Operation Unified Assistance

## Glimpse into Seabasing Future

***"Impressive display of Seabasing"***

- Admiral Walt Doran, COMPACFLT

Demonstrated capabilities:

- Speed of response
- Seabasing
- Cooperative NGO engagement
  * 79 NGO's involved
- Broad scope HA support
  * 9 countries supported

***To what extent was contractor support leveraged?***

**FACTS & FIGURES: Operation Unified Assistance**

- **1,833 relief sorties**
- **9+ million lbs of food, water and meds**
- **2,200 patients treated**
- **135 Seabees deployed to the region**

***39 day operation***

# Future Opportunities

- Expanded use of PBL/CLS support arrangements
- Refined LOGCAP capabilities
  - Crew swap support
  - Sea basing
  - Disaster relief
- Backfill support to enable priority reassignment of MILPERS
- Assumption of surge capacity capabilities

# *Combatant Commander Desired Operational Capabilities*

## NDIA National Logistics Conference


LTG(ret) Mike McDuffie, USA– Moderator

BGen Mike Lehnert, USMC - U.S. Southern Command

COL Dave Mintus, USA – NORAD - US Northern Command

COL Jim Rogers – U.S. Central Command

Mr. Jay Erb – The Joint Staff

# Rules of Engagement

- Hold questions until Q&A session
  - Pass written questions to ushers
- Each Presenter Reviews – 10 min ea
  - 5 Most Critical Desired Operational Capabilities
  - 5 Most Important Actions Where Services Can Help
  - 5 Most Important Areas Where Industry Can Help
- Q & A

# The Joint Staff
# Director for Logistics (DJ4)

## Lt Gen Duncan McNabb, USAF

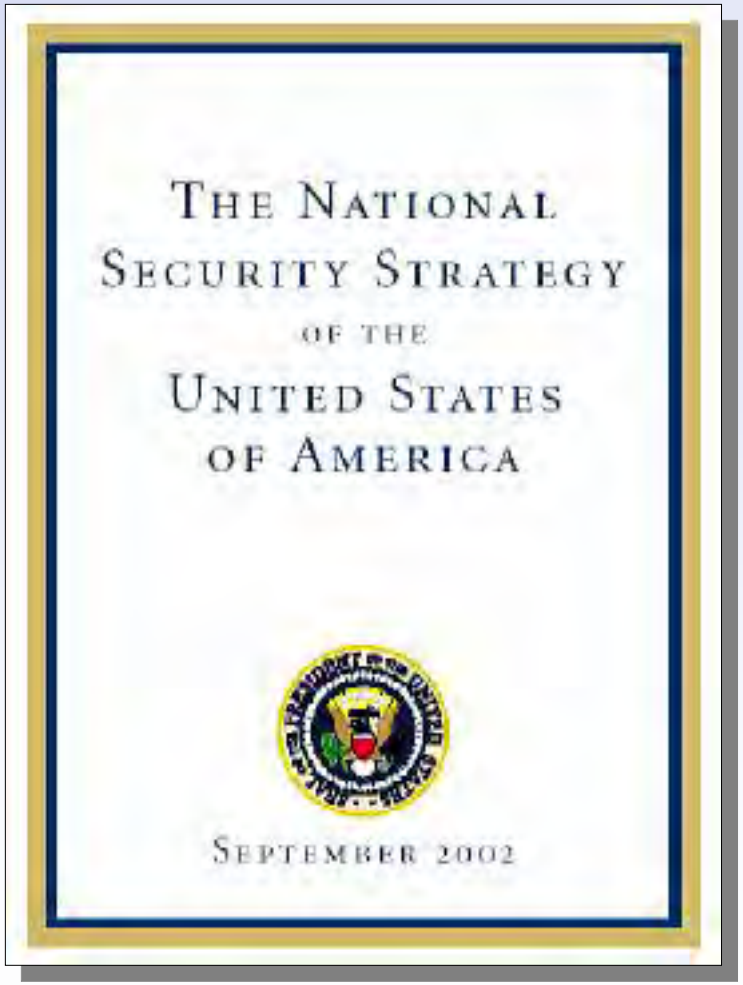
***ENHANCING JOINT WARFIGHTING THROUGH FOCUSED LOGISTICS …***
***INDUSTRY'S ROLE***

21st National Logistics Conference
Wednesday, 2 March 2005

# Charting the Course

- **Strategic Context**
- **Joint Capability Integration**
- **Focused Logistics Campaign Plan**

# Building Logistics Doctrine




**Defend the United States** — 1

**Operate in-from 4 forward regions to assure, dissuade, and deter** — 4

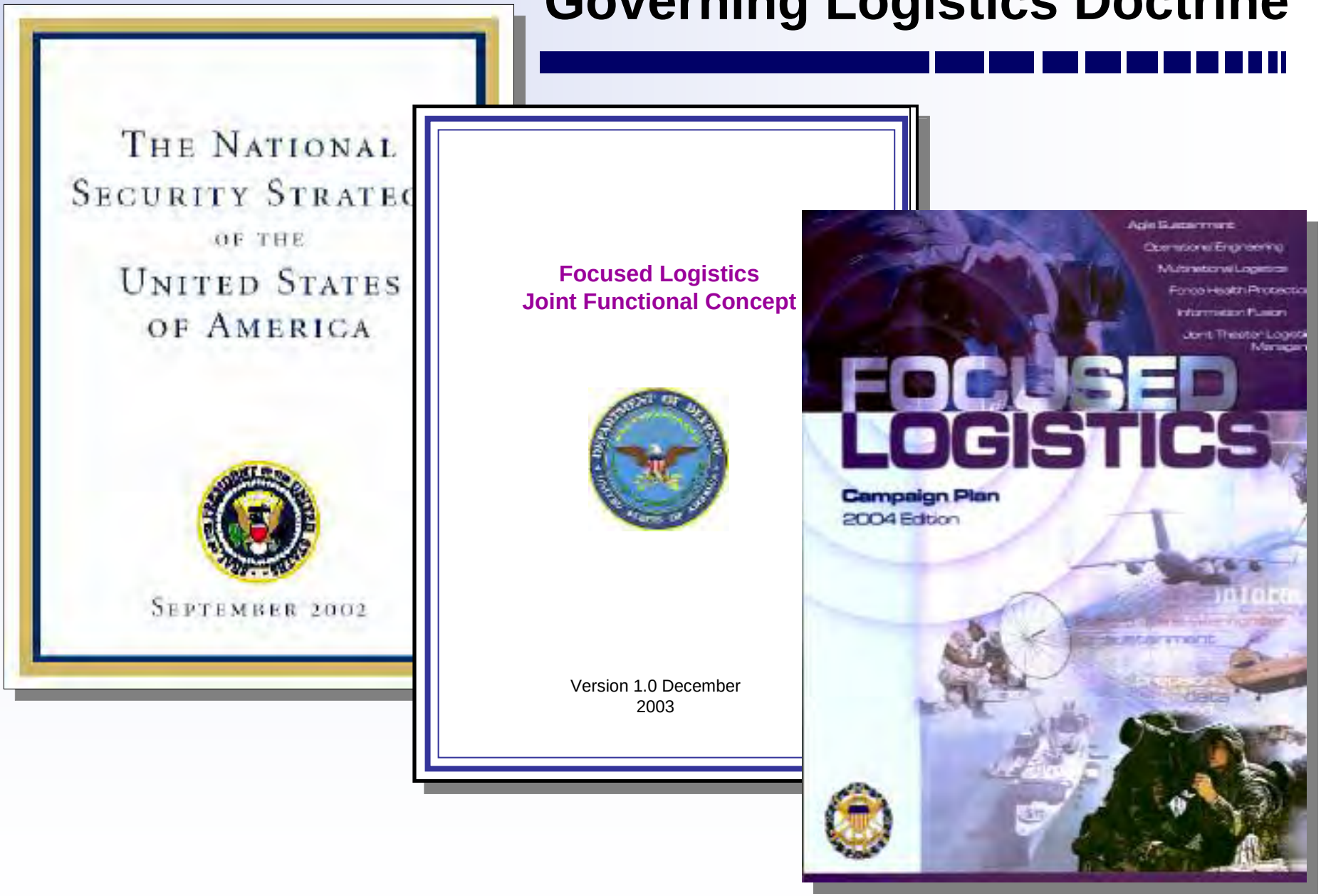
**Maintain a global force generation capability for surging to:** — 2

- **Swiftly Defeat an Adversary A**
- **Swiftly Defeat an Adversary B**

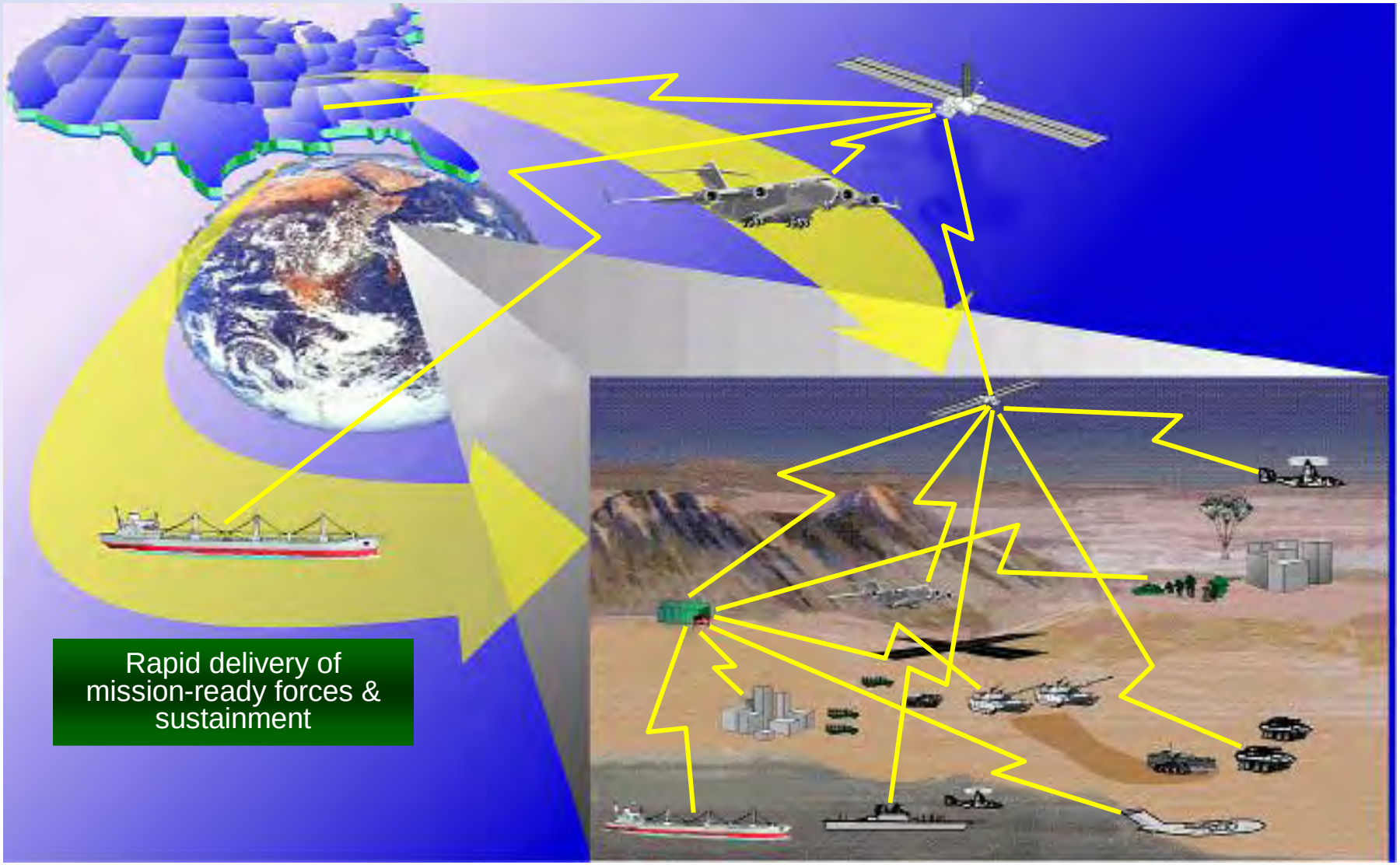
Win Decisively — 1

**Lesser Contingencies**

# Governing Logistics Doctrine



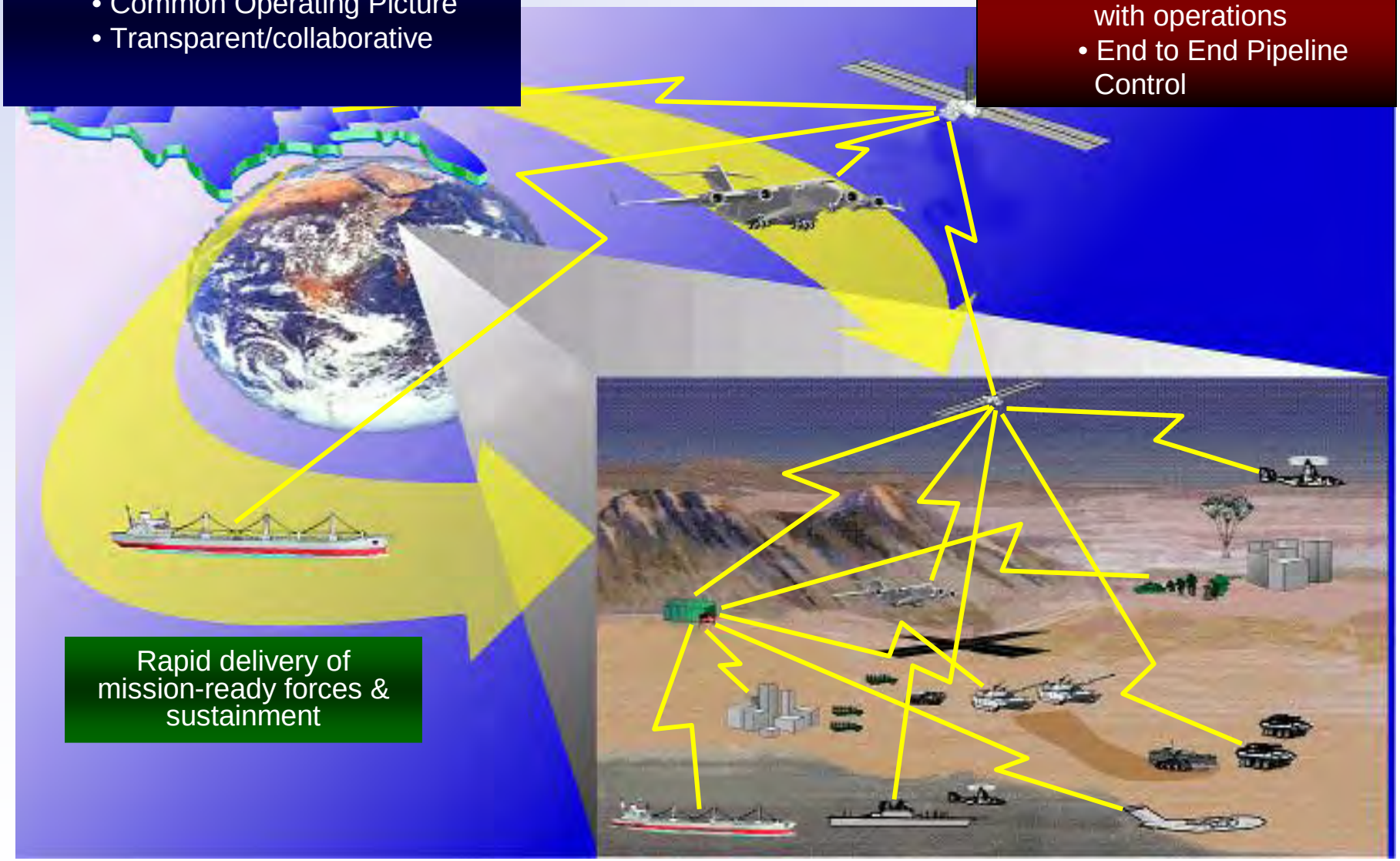
# An Operational View of Focused Logistics



# An Operational View of Focused Logistics

End to End Network Communications
- Common Operating Picture
- Transparent/collaborative

Dynamic Decision Making
- Logistics integrated with operations
- End to End Pipeline Control



Rapid delivery of mission-ready forces & sustainment

# An Operational View of Focused Logistics

End to End Network Communications
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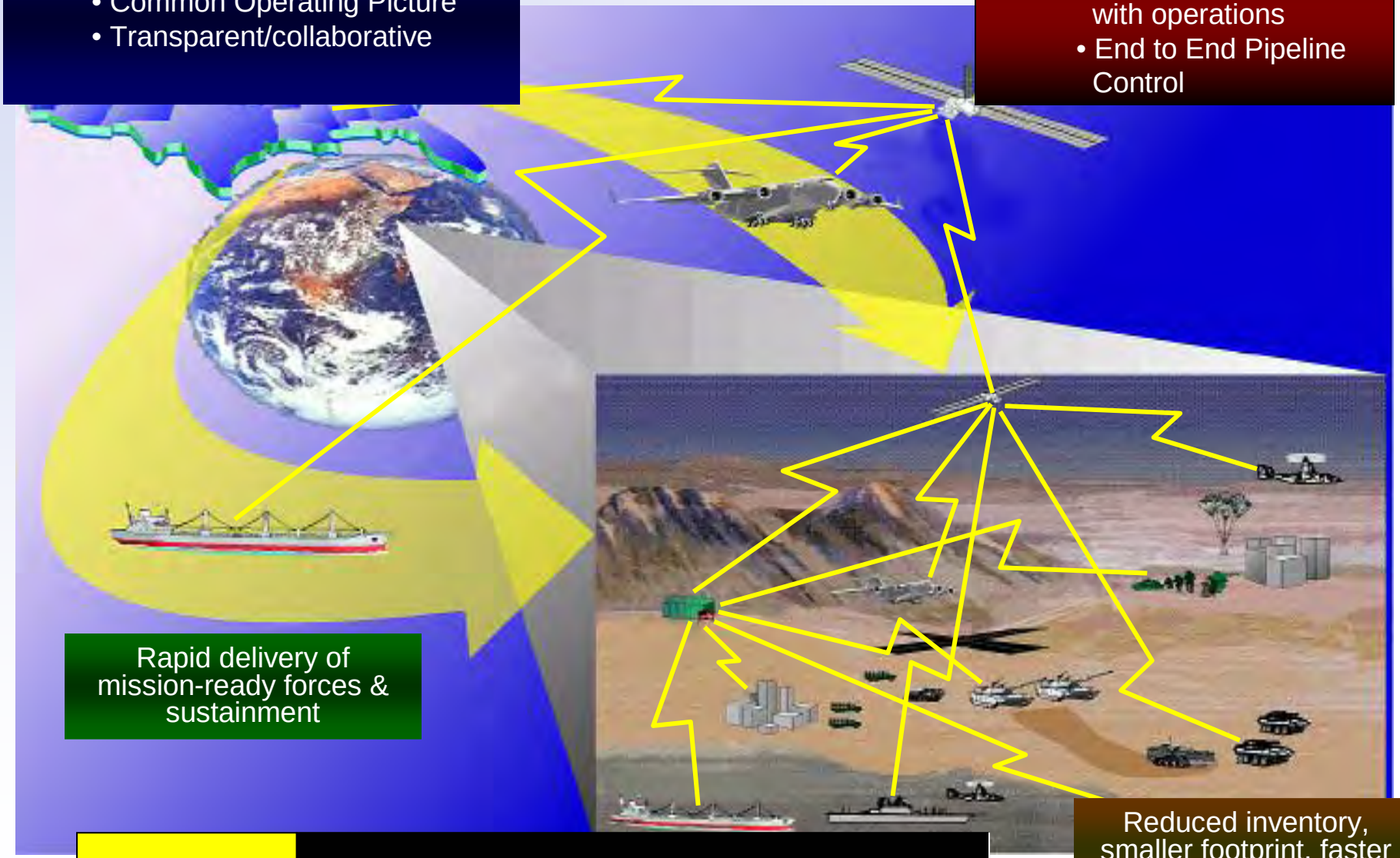
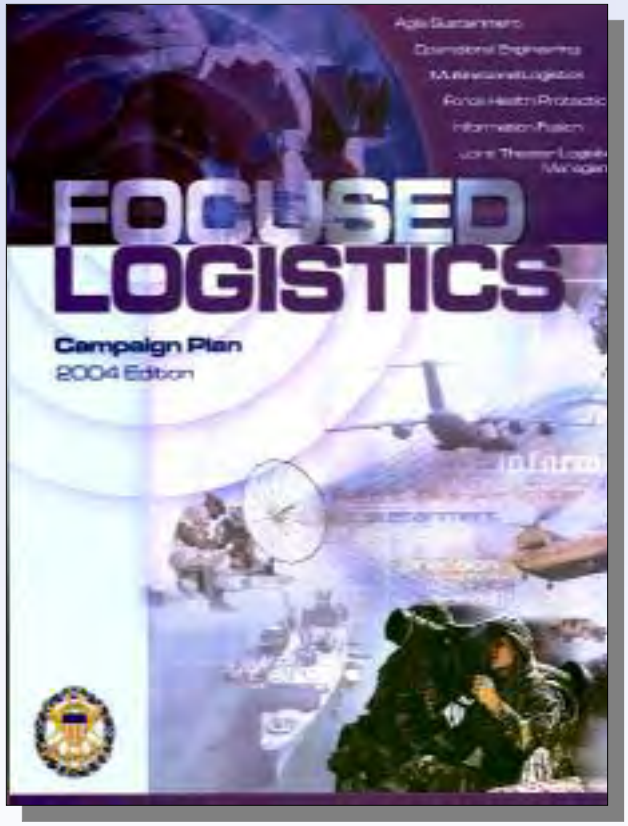


Rapid delivery of mission-ready forces & sustainment

Reduced inventory, smaller footprint, faster response

**Bottom line:** **Effective, Reliable, Affordable**

# Shaping the Future …
# a Capability-based approach




Comprehensive, integrated approach for achieving full spectrum support for the future joint warfighter

*Major Sections*

- Building Blocks
  - Logistics Transformation
  - Future Logistics Enterprise
- Capabilities
  - **Joint Deployment/Rapid Distribution**
  - **Joint Theater Logistics Management**
  - **Agile Sustainment**
  - **Operational Engineering**
  - **Information Fusion**
  - **Multinational Logistics**
  - **Force Health Protection**
- Joint Logistics Experimentation
- Keeping Focused Logistics on Track



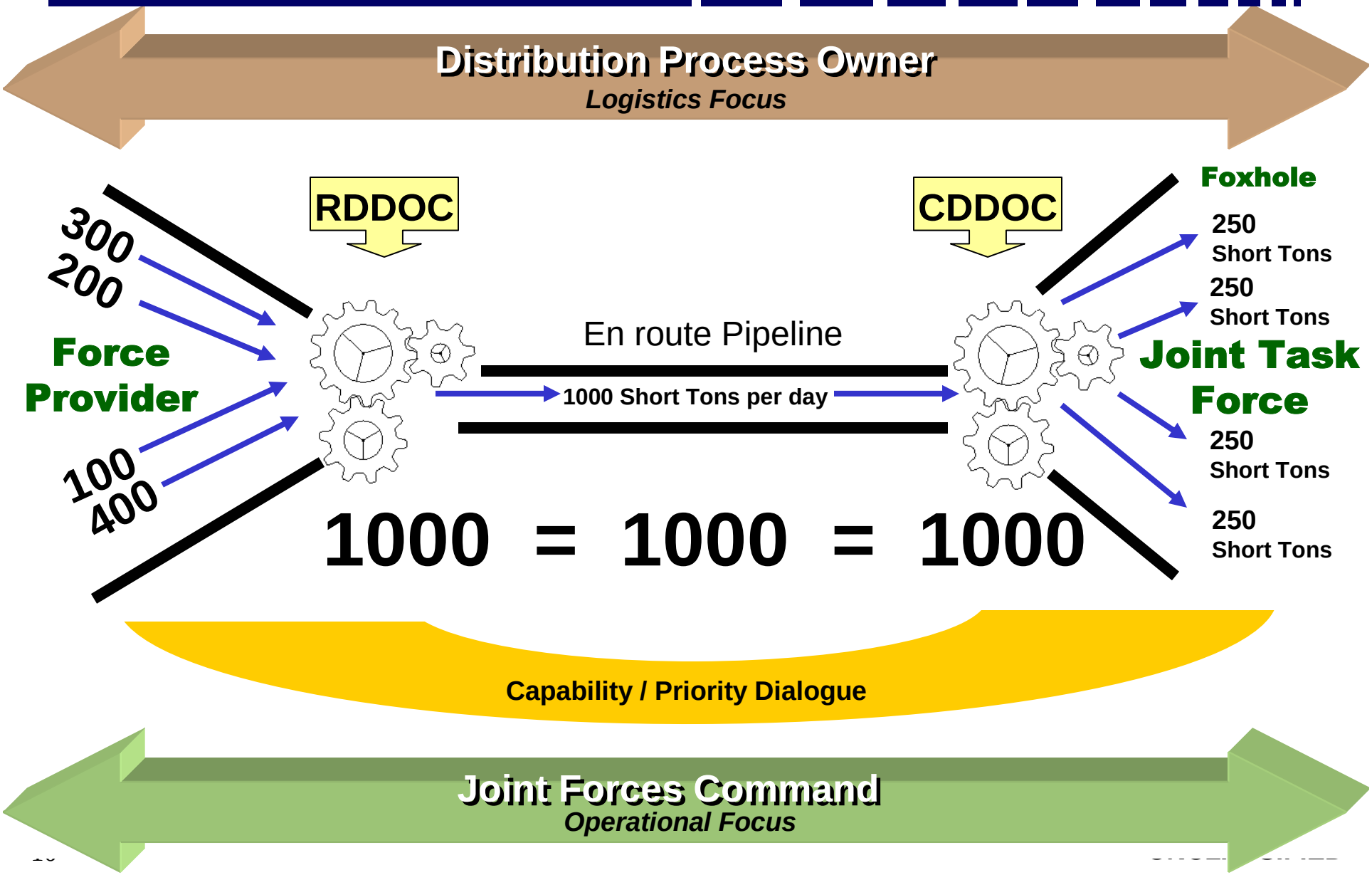
**http://www.dtic.mil/jcs/j4/projects/foclog/foclog.htm**

- **DPO/JDPO Integration**
- **Joint Theater Logistics**
- **Information Fusion**

# Joint Deployment / Rapid Distribution

**… rapidly <u>delivering combat forces</u> to the joint force commander & <u>linking operating forces</u> with viable <u>sustainment systems</u>**

# Optimizing Distribution Flow



# Strategic Mobility Requirements
## Global Mobility for a Global Campaign

Airlift

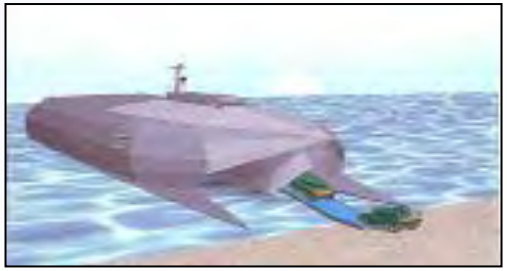
Prepositioning

Sealift

**Strategic Mobility Capability**

Enroute Infrastructure

Intermodal Enablers



Emerging Technologies

# Mobility Capability Study


**… assessing end-to-end, full spectrum mobility needs for all aspects of the Defense Strategy**

- **Quantifying required mobility capabilities**
- **Identifying gaps, overlaps, alternatives, & way to mitigate risk**

- ✓ DPO/JDPO Integration
- • Joint Theater Logistics
- • Information Fusion

# Joint Theater Logistics

**… giving the joint force commander the ability to**

**synchronize, prioritize, direct, integrate, and coordinate**

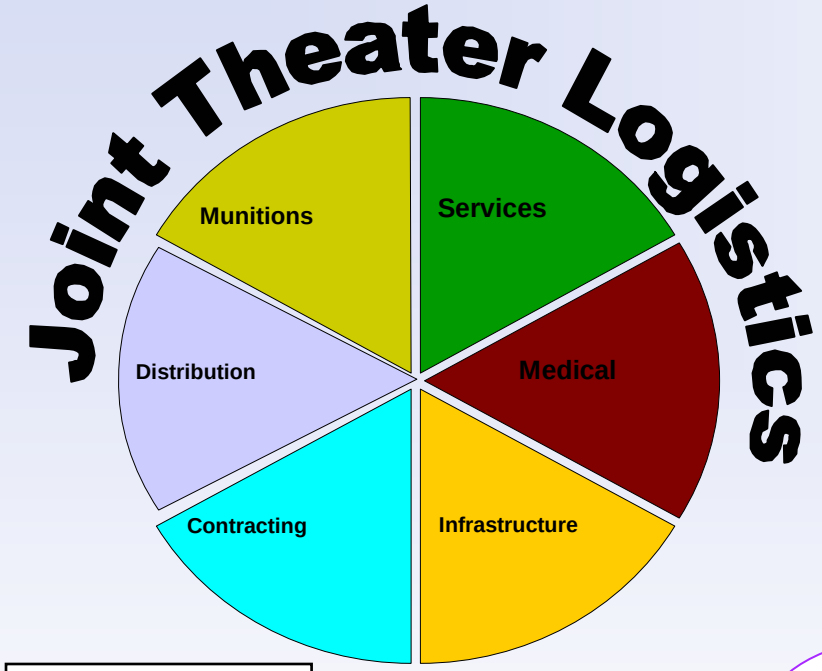
**cross-service logistics functions**

**Logistics Community Priority:**

**Build Consensus &**

***Move Out on JTL***

# Joint Theater Logistics (JTL)




Armor Fusion

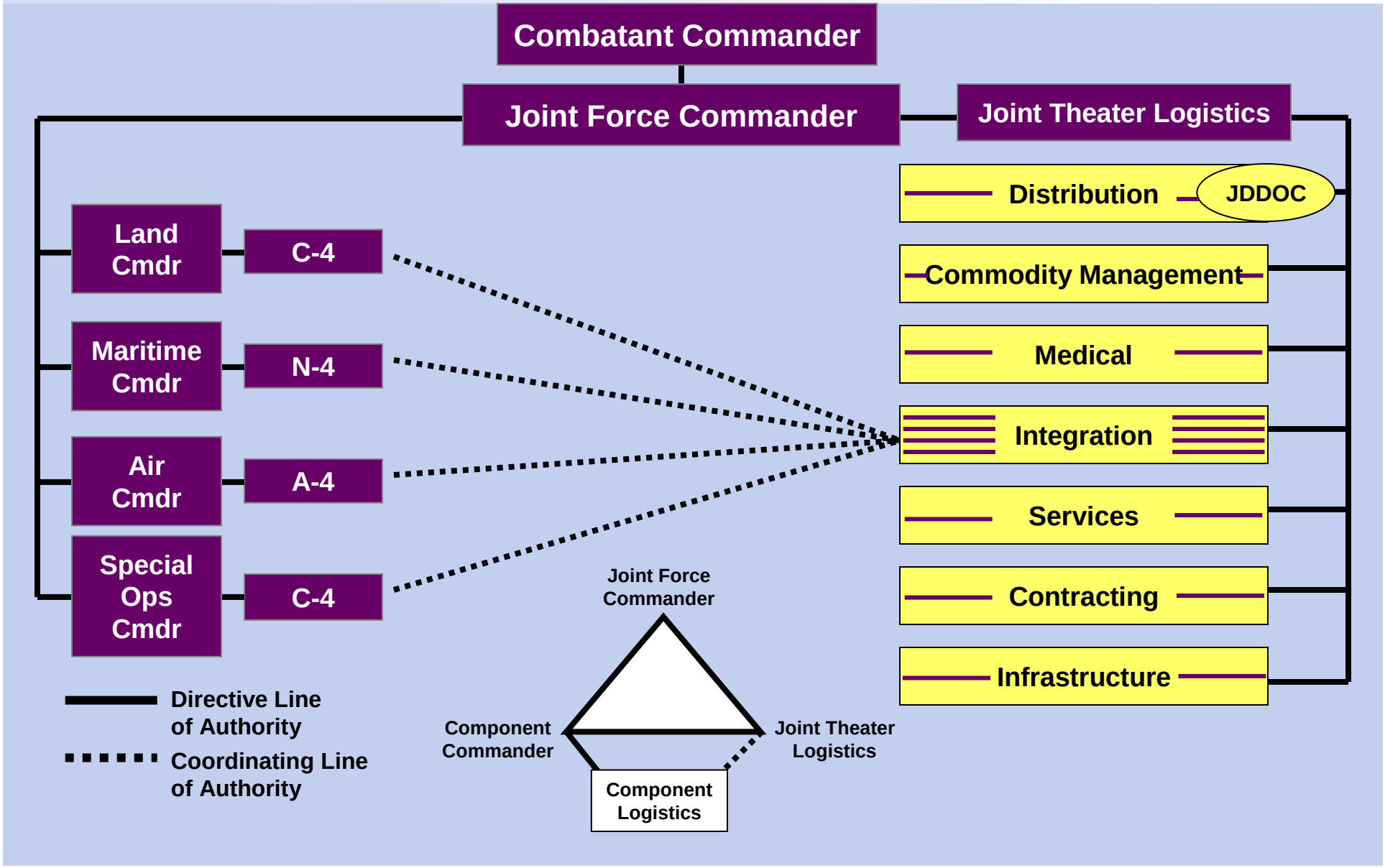

Tsunami Relief

Title 10 USC
Section 164

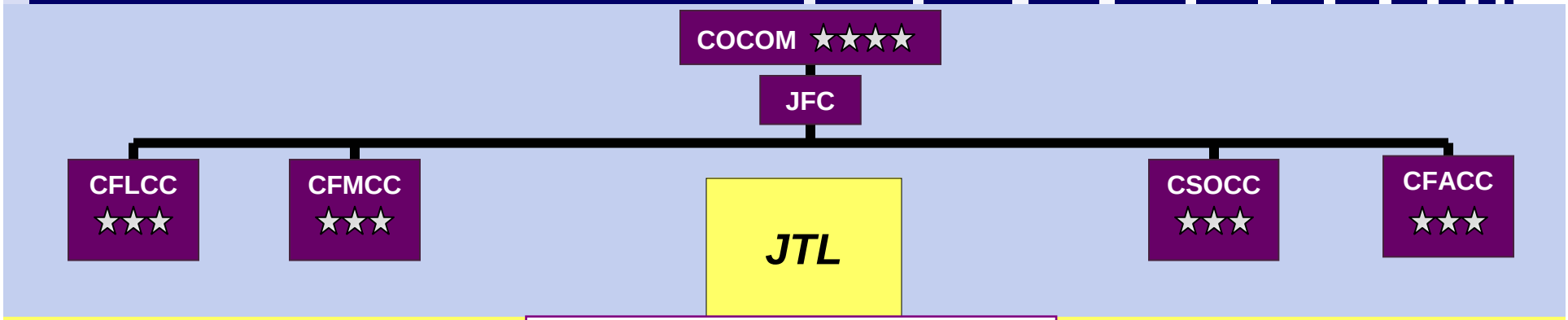
- ✓ *See the flow of sustainment & forces*
- ✓ *Integrate, prioritize & synchronize*
- ✓ *Collaboration among joint, interagency & multinational partners*

*JTL is capability to exercise directive authority for logistics*

# JTL Purpose and Functions



# JTL Purpose and Functions:
## Peace, War; Swiftly Defeat in Large Scale Operations




**JTL Common Support Capabilities**

### *Distribution*

JDDOC

- Distribution
- Mode determination
- Movement control
- Forward stockage
- Priorities Mgmt
- RSO&I

- ITV / TAV
- Theater Opening

### *Medical*

- Evac Ops
- CLVIII/ Blood

### *Commodity Mgmt*

- Munitions
- Fuel
- Subsistence/ Water

### *Contracting*

- Host Nation
- US
- Third Country

### *Services*

- Postal
- AAFES/NEX
- MWR
- Mortuary Affairs

### *Infrastructure*

- Theater Eng Projects
- Bare Basing
- Common Item Repair/Maintenance
- Environment

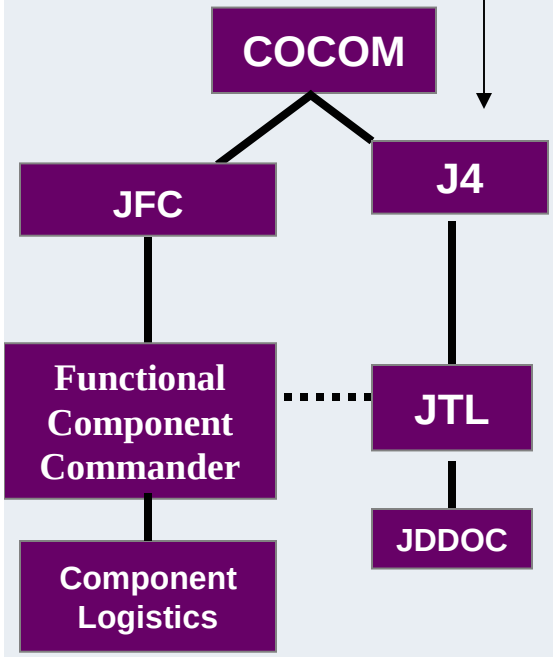
### *Integration*

- Log Integration
  - Coalition
  - Interagency
  - NGOs
  - Components
- Policy
  - Joint Financial Management

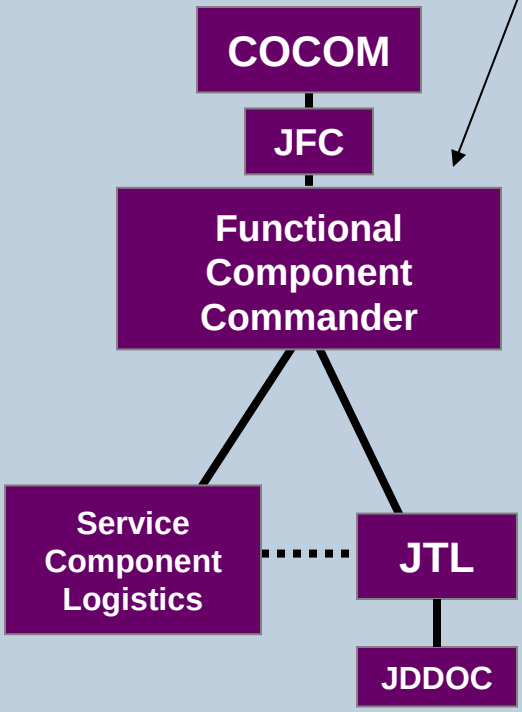
***Coordination & Integration***

# Assignment of Joint Theater Logistics

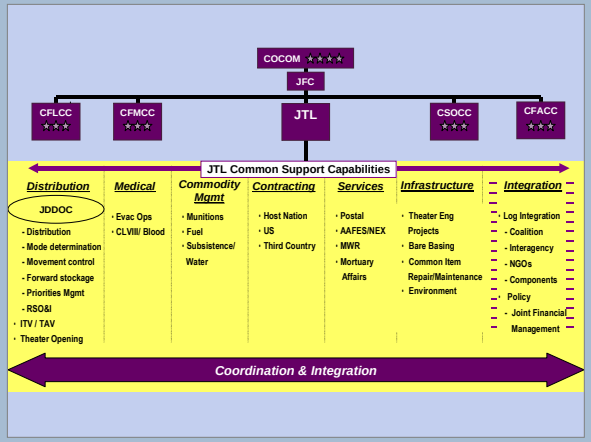
Delegated to Combatant Commander's Director of Logistics




Delegated to a Functional Component Commander




JTL directive authority delegated to a Logistics ☆☆/☆☆☆




Directive Line of Authority

Coordinating Line of Authority

***COCOM can tailor to meet the situational need***

# Information Fusion

**… providing logisticians**

**and operators a**

***common operational picture***

**that offers reliable**

**asset visibility &**

**access to logistics resources.**

# In-Transit Visibility Initiatives

- US released RFID policy mandating
  - Data-rich tags for in-transit visibility throughout DoD
  - Suppliers apply passive tags at lowest possible level (part/case/pallet) – Jan ‘05

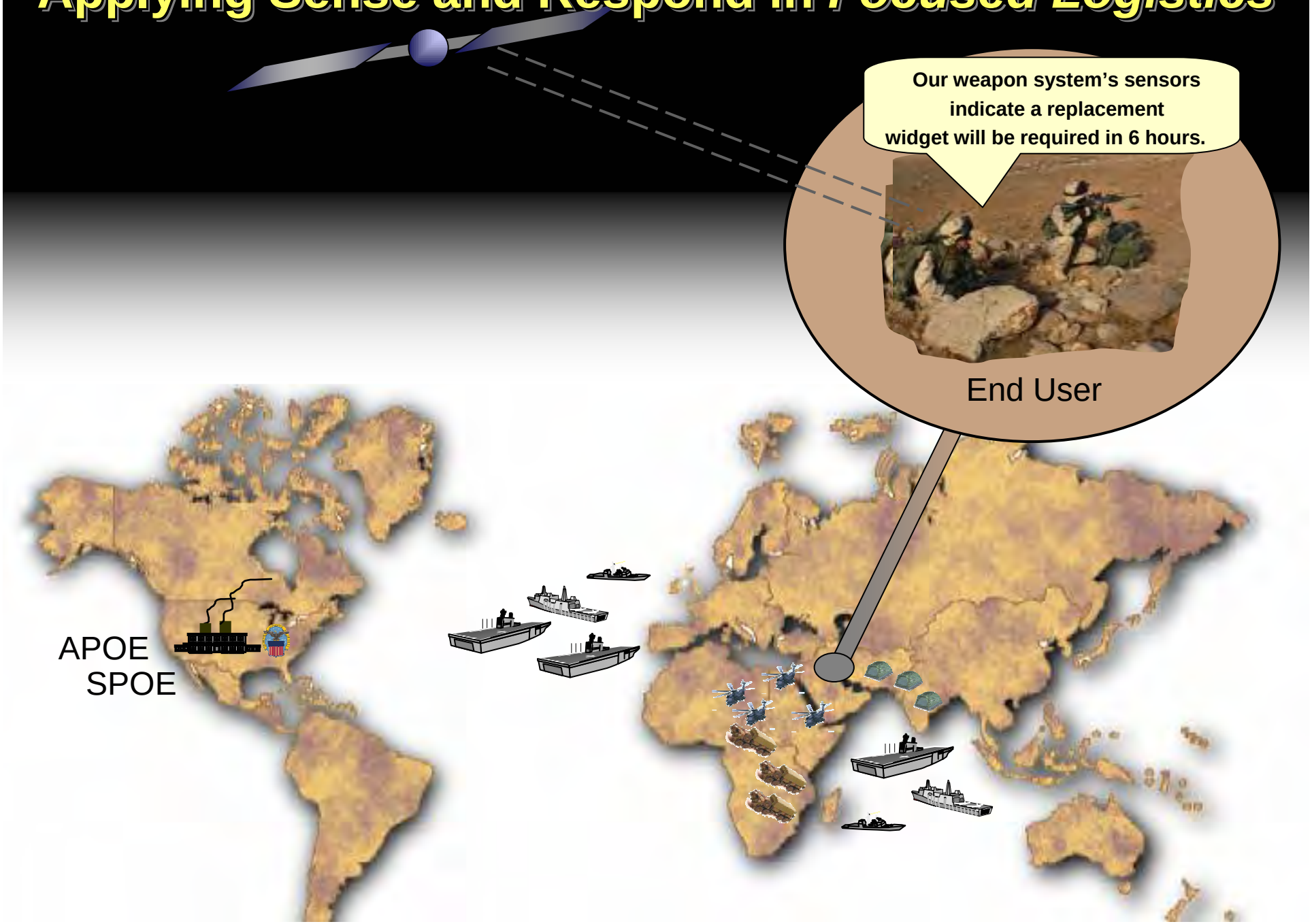
- US/UK jointly proposed that NATO adopt RFID for consignment tracking
  - NATO currently studying proposal and planning an RFID pilot in support of Afghanistan by NATO contributing nations

# *Sense and Respond … a performance enhancer*

**Sensors monitor systems onboard a NASCAR in order to minimize time in the pit.**

***Time = Winning = Money***

# Applying Sense and Respond in *Focused Logistics*



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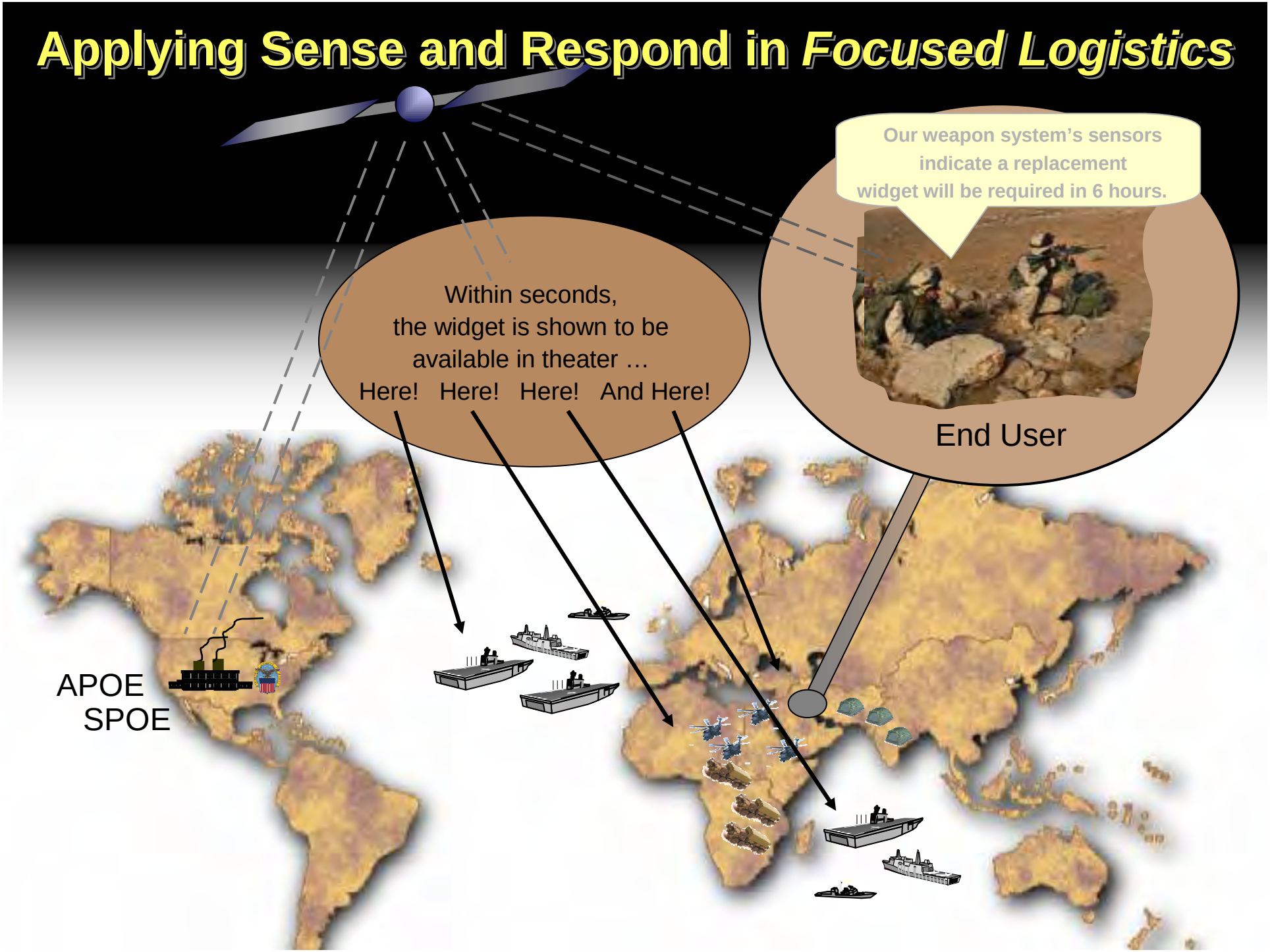

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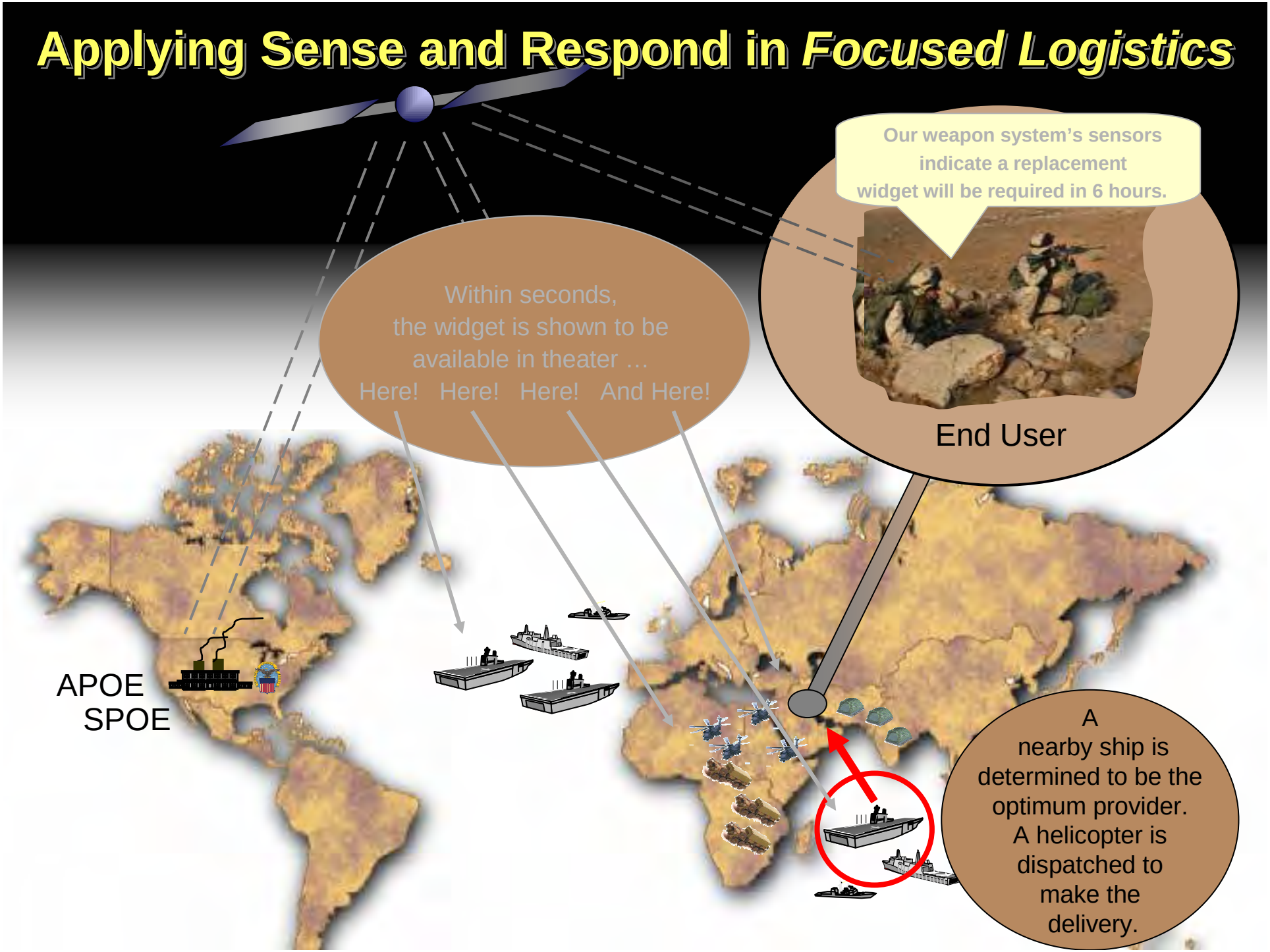

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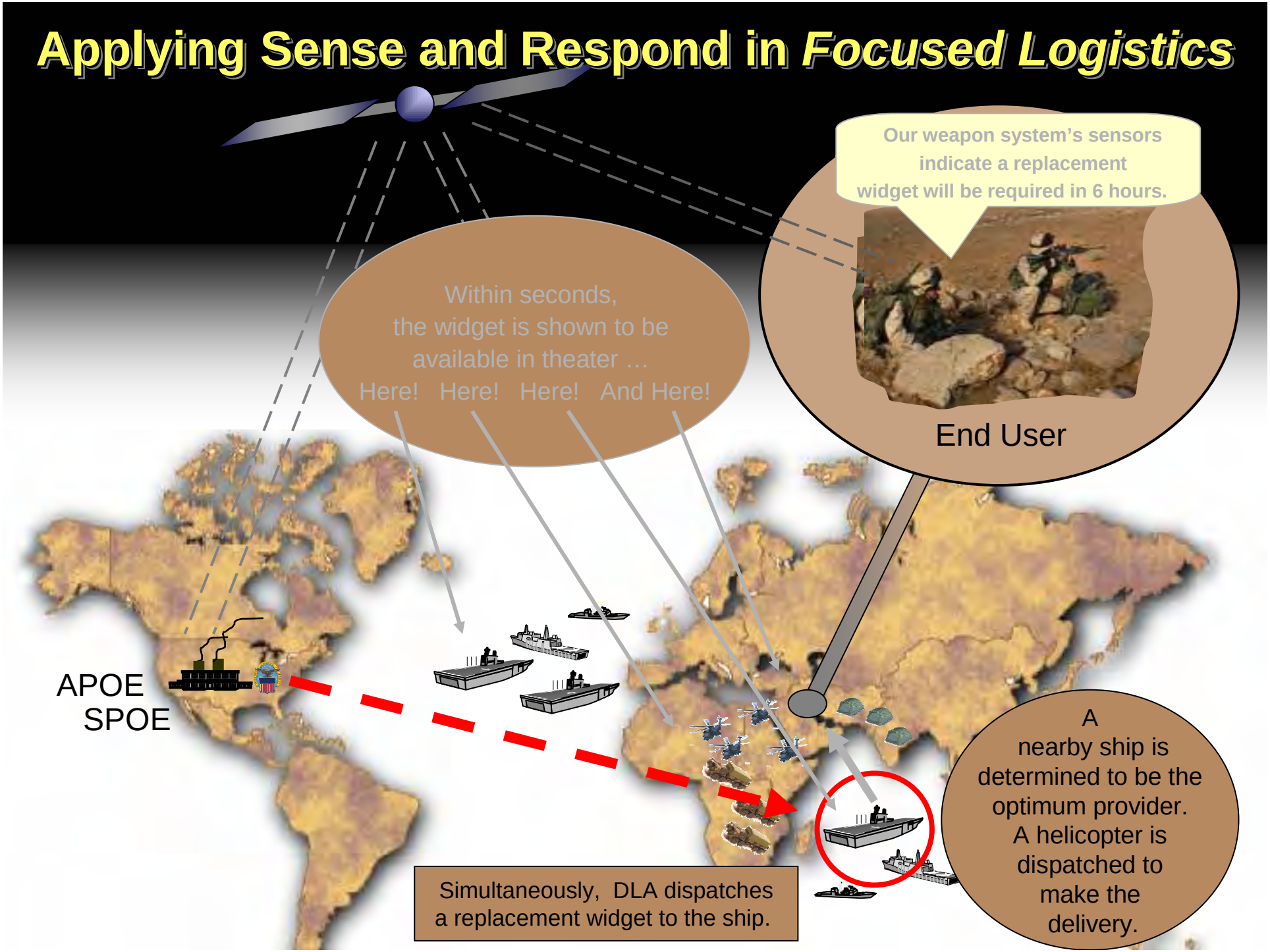
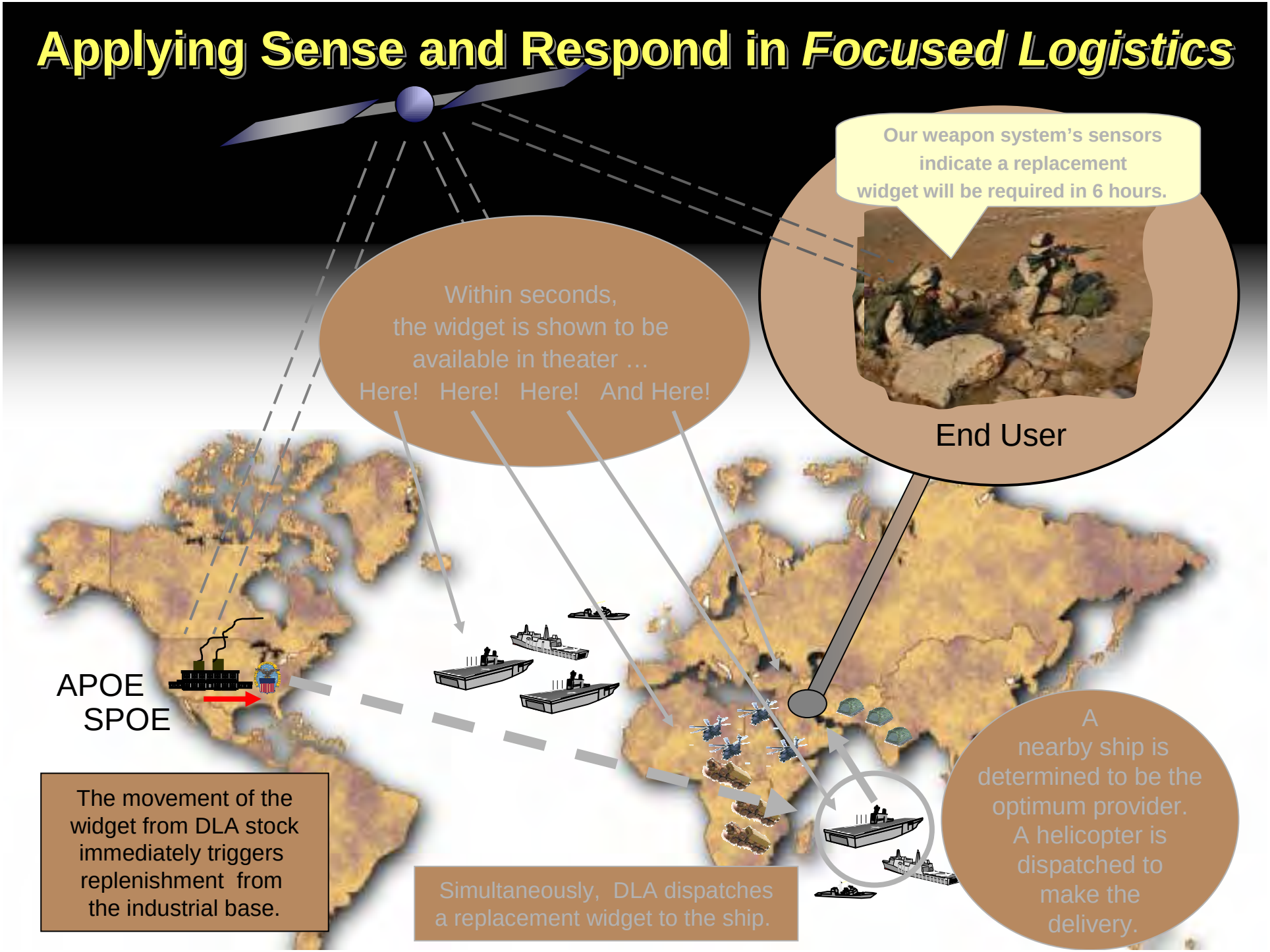
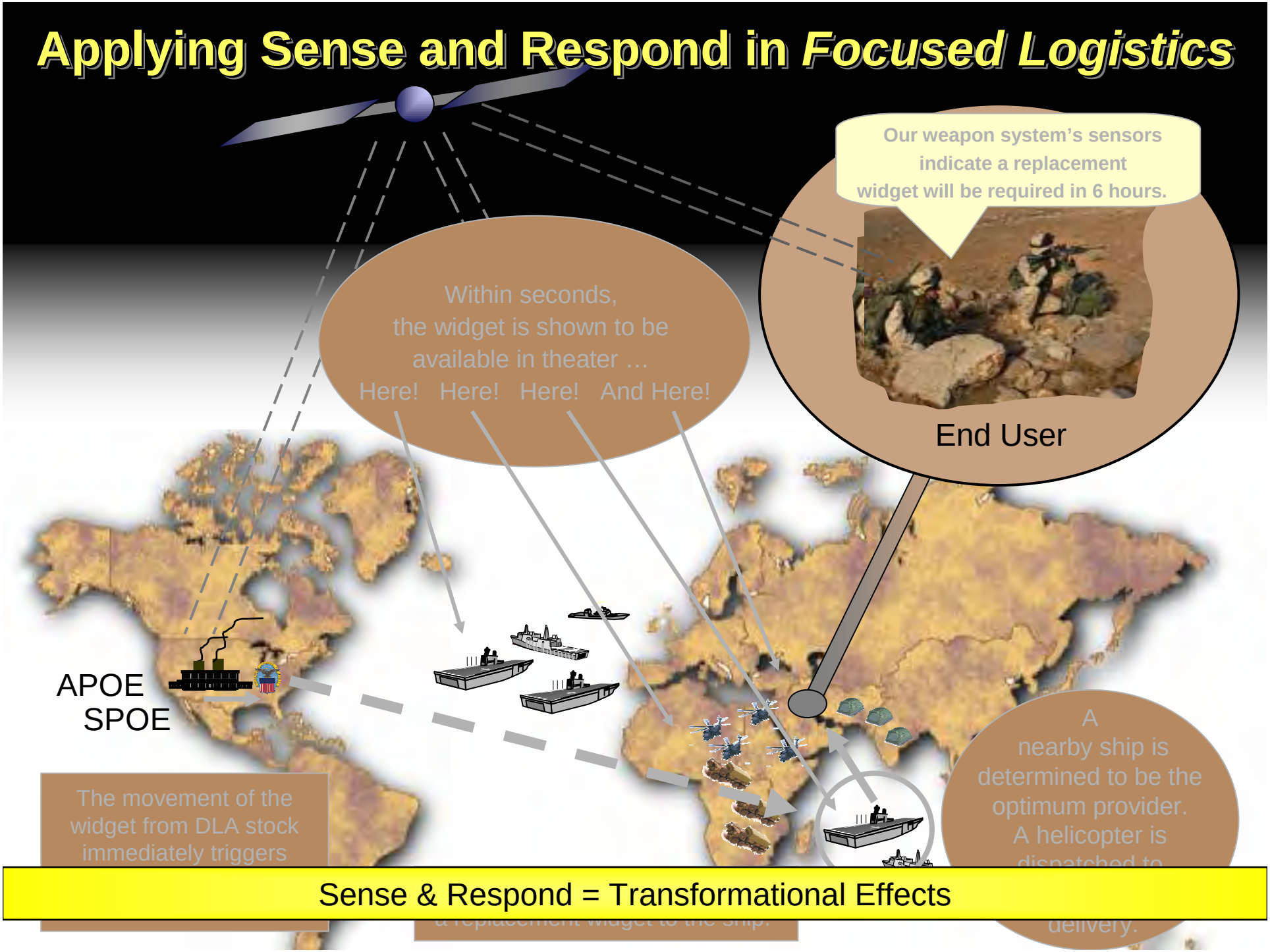


# Applying Sense and Respond in *Focused Logistics*



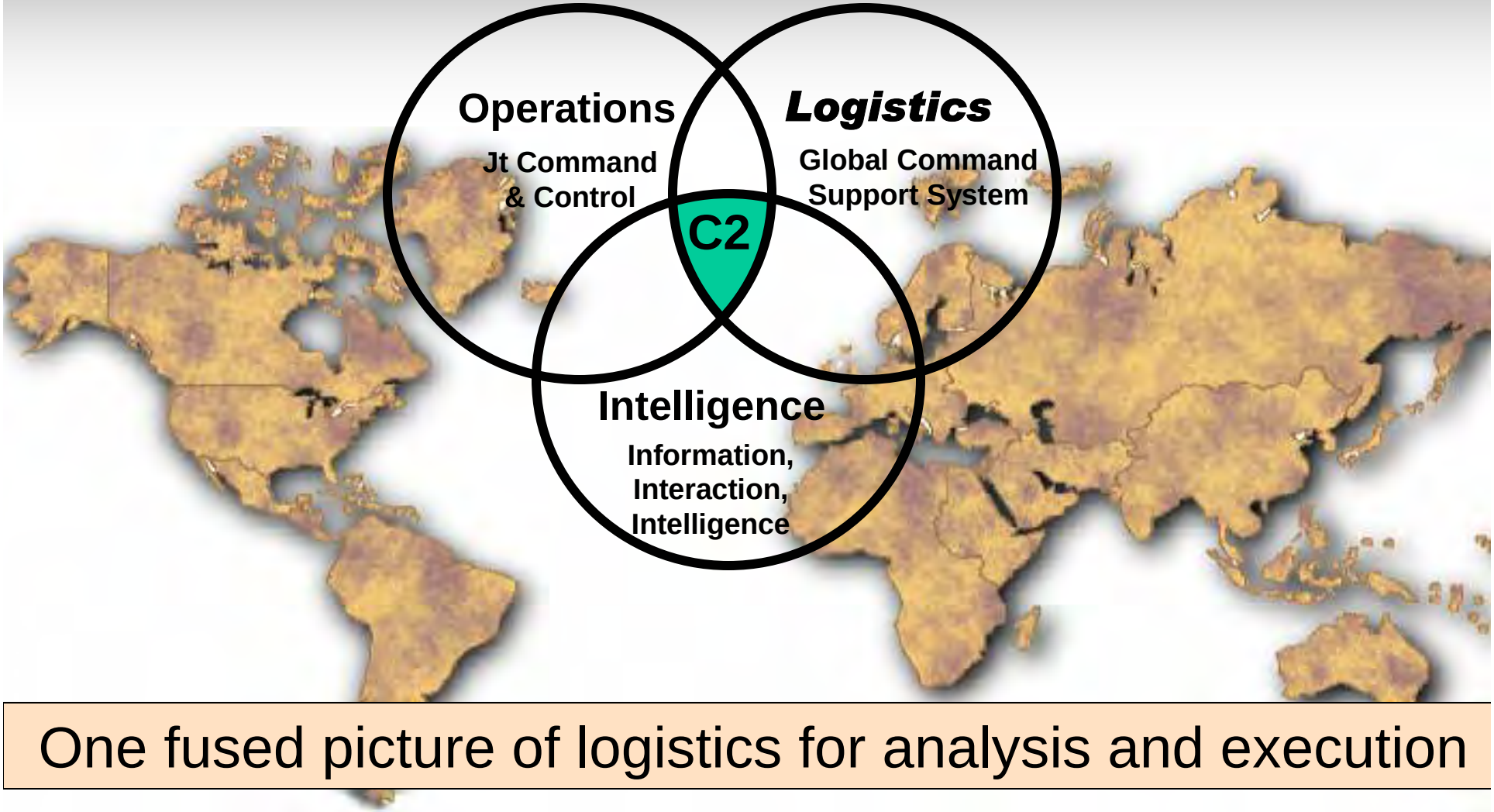
# Applying Sense and Respond in *Focused Logistics*




Sense & Respond = Transformational Effects

# GCSS – the Logistics Linkage for Joint C2

Close link between command and control and combat support




One fused picture of logistics for analysis and execution

# Wrap up … Where We Are Going

**Building logistics capabilities that are:**

- **Fully Integrated**
- **Expeditionary**
- **Net centric**
- **Decentralized**
- **Adaptable**

**Fully Enabled by**

**Dynamic Decision Making**

Industry's Role

# Industry … Your Role

- **Compress the Supply Chain**
- **Reduce Cycle Time**
- **Dynamic Decision Making Tools**
- **Embrace Performance Based Logistics**
- **Leverage Public-Private Partnerships**

**Not business as usual …**
**open to new ideas …**
**take some risk**

**Attributes for Logistics Success -- Effective, Reliable, Affordable**

# Questions?

The Overall Classification of this Briefing is: UNCLASSIFIED

# *Desired Operational Logistics Capabilities*

**2 March 2005**

**COL Dave Mintus, USA**
**NORAD-US Northern Command**
**Deputy Director of Logistics and Engineering**

# *Top 5 Desired Operational Logistics Capabilities*

1. **Robust, responsive interagency logistics capabilities able to support domestic incident response.**
2. **Common picture of logistics and engineering capabilities (and shortfalls) available to support planning and execution of domestic incident response across government (federal-state-local) and industry domains.**
3. **Responsive intra-theater transportation network that facilitates deployment and distribution of logistics capabilities.**
4. **Timely, accurate in-transit visibility (ITV) of deploying capabilities.**
5. **Strategically positioned stockpiles of key CBRNE-related material to facilitate rapid availability for first responder teams.**

# *Where Military Services Can Help*

1. **Adopt a mindset that recognizes CONUS as an area of operations in Global War on Terror (GWOT). Forces and installations at home may be tasked to provide short notice support.**
2. **Support USTRANSCOM Distribution Process Owner (DPO) and ITV initiatives.**
3. **Implement widespread usage of standardized DoD collaboration tools.**
4. **Develop training standards and training plans for logistics joint mission essential tasks (JMETs) related to civil support operations.**

# *Where Industry Can Help*

1. **Partner with local communities to develop enhanced first responder logistics capabilities.**
2. **Develop collaboration technologies and systems that give a common picture of capabilities and resources in government and industry.**
3. **Partner with state and federal interagency community to develop logistics capabilities that can rapidly augment support required during catastrophic incident response.**
4. **Maintain a strong commercial air industry that can support Civil Reserve Air Fleet (CRAF) and USTRANSCOM contracted carrier requirements.**
5. **Develop business practices that can fill short notice surge demands during a natural or man-made disaster.**

# OPERATIONAL LOGISTICS INFORMATION TECHNOLOGY… A WARFIGHTER PERSPECTIVE

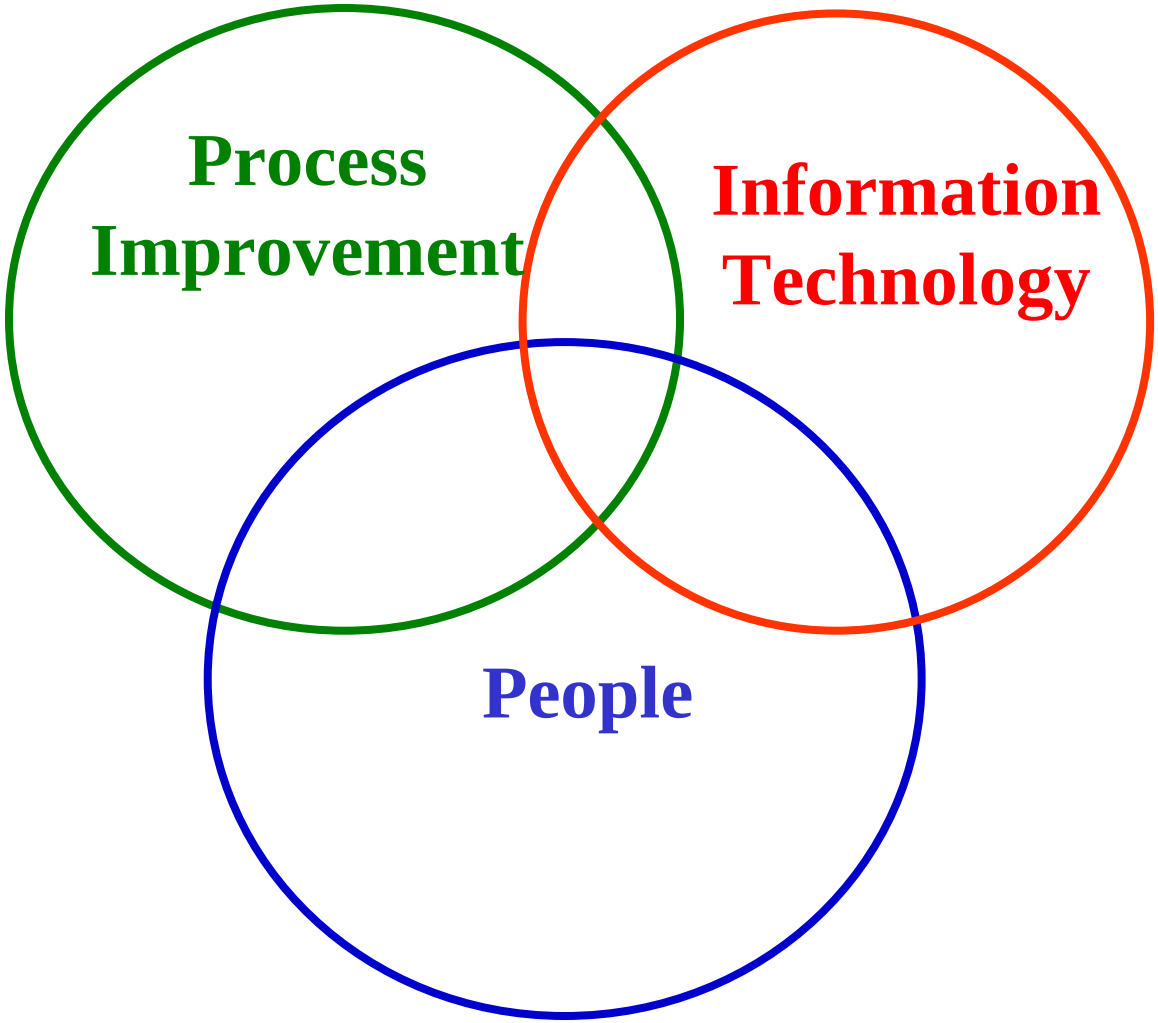
## NDIA – MIAMI
## MARCH 2005

**Col R. M. NIXON**
Logistics Vision and Strategy
HQMC I&L/LPV
(703) 695-6101
DSN: 225-6101
nixonrm@hqmc.usmc.mil

# Our Goal

- Provide seamless, flexible, responsive logistics support to the Marine Ground Task Force.

# 3 – Prong Approach



# GCSS-MC

- ACAT 1AM Project
- Single point of entry for user
- Shared Data Environment
- Designed to meet CoCOM 129 / 57
- Bandwidth flexibility 9 – 256kbs
- Enable simplified E2E logistics process
  - Maint / Supply / Distribution / AIT / Other Services
- Navy converged ERP office

# Logistics Command & Control

- Planning / managing CSS requests
- Tasking MAGTF logistics resources
- Decision support tools
- Moving critical data

# Key Activities

- GCSS-MC POR - Oct 03
- ACAT – 1AM Mar 04
- Logistics Subject Matter Experts - Jun 04
- Transition Task Force - Aug 04
- Fully funded POM06 & X FYDP #1 IT Prog
- Oracle COTS selection – Fall 04
- Systems Integrator Selection – Spring 05

# Sustained Materiel Readiness

**David Pauling, Assistant Deputy Under Secretary of Defense for Maintenance Policy, Programs and Resources**

# Sustained Materiel Readiness

## ISSUE:

- **Suboptimized Materiel Condition Reliability Declining**
- **Maintenance too expensive**
  - **Reliability accounts cut ~ 80% over the years**
- **We must do things smarter to achieve/sustain SPG/CPG readiness**
  - **Balance Safety, Reliability, and Maintenance activities to achieve readiness at best cost**
  - **Optimize TIME-ON-WING and Repair TURN AROUND TIME**

## WAY AHEAD:

- **Cause and effect predictive modeling**
- **Continuous process improvements**
  - **CBM+/RCM**
  - **Lean, Six Sigma, Theory of Constraint**
- **Integrated Budgets (engineering, logistics, industrial)**

# Building the Optimum Materiel Sustainment Plan/Budget

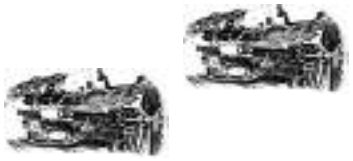
START

SPG/CPG

"WAR PLAN"

mission-based operational readiness requirement

Required Number of RFI Weapons



Required Amount of RFI Materiel (installed + uninstalled)

mission-based materiel readiness requirement

Seek to reduce sustainment costs

INTEGRATED BUDGET

INTEGRATED MANAGEMENT PLAN

SAFETY STANDARDS

EQUIPMENT RELIABILITY

MAINT/RCM STRATEGY

PIPELINE

COMMON METRICS

PLANNING FACTORS

READINESS BASED MATERIEL REQUIREMENTS MODEL

Technical PLAN

INTEGRATED REPAIR/BUILD CYCLE TIME PLAN

SPARES FORECASTING & PROCUREMENT PLAN

MATERIEL TRANSPORTATION DISTRIBUTION PLAN

R&D

- S&T
- Design

PROCUREMENT

O&M

- In Svc Eng/Log
- DEPOT
- DLR

WCF

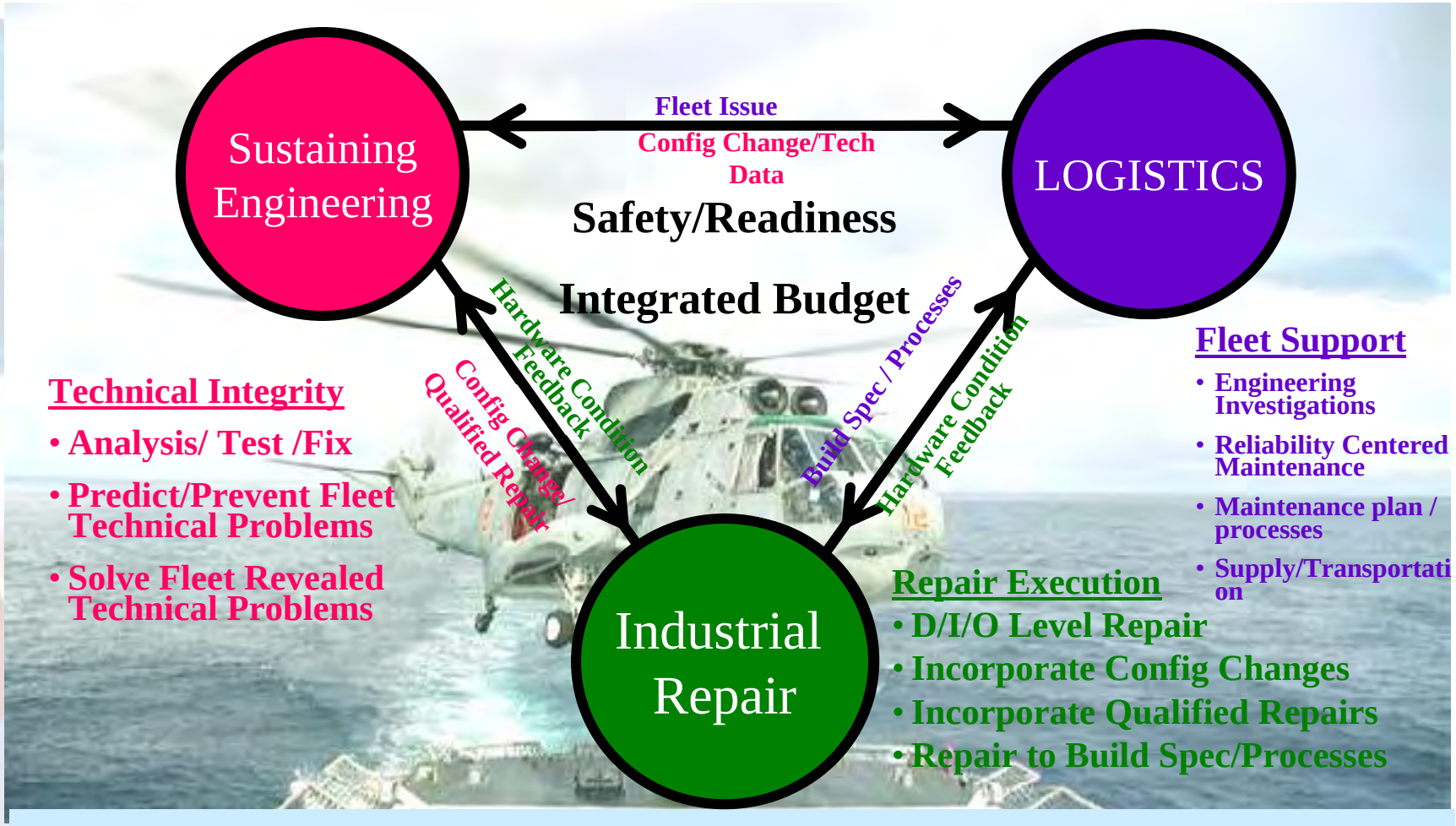
YES

MATERIEL READINESS GOALS ACHIEVED?

NO

Seek to increase sustainment performance

# Materiel Readiness Integrated Management (E2E)




**Integrated Approach Achieves Readiness Goals at Reduced Cost**

# On Condition Maintenance (OCM) VS Reliability Centered Maintenance (RCM)

| OCM | | RCM |
|---|---|---|
| Repair Only What Is Broken | ⟷ | Repair Not Only What Is Broken but What Will Likely Fail Before a Defined Time on Wing |
| Maintenance Is Unplanned | ⟷ | Focus is Planned Maintenance *Facilitates Resource Requirements Predications* |
| No Requirement to Build for Time on Wing | ⟷ | Build to Achieve Inherent Reliability |
| Maintenance Driven by Equipment Conditioner or Lowest $/Shop Visit | ⟷ | Maintenance Based on LCC & Value |

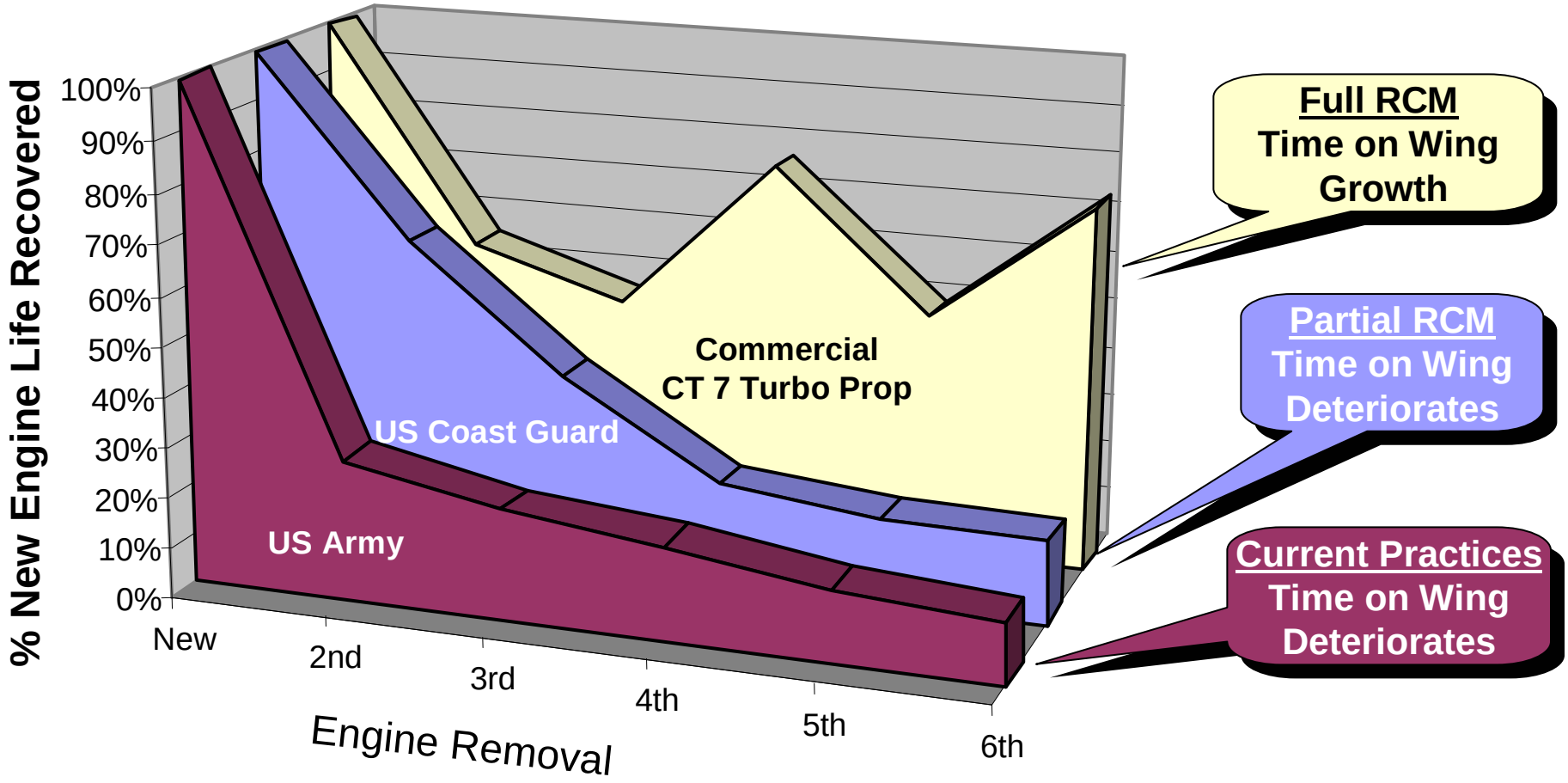
***(What's Easiest Today)***

***(What's Best for the Long Term)***

# T700 Engine Life Recovered After Repair

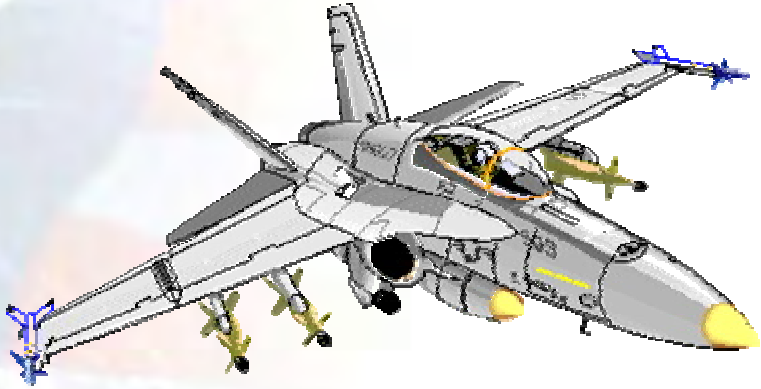
**RCM** = **R**eliability **C**entered **M**aintenance

## Reliability Centered Maintenance vs. Current On-Condition Practices




3X+ improvement in Time on Wing (TOW) with Comprehensive Reliability Centered Maintenance vs. Current On-Condition Practices

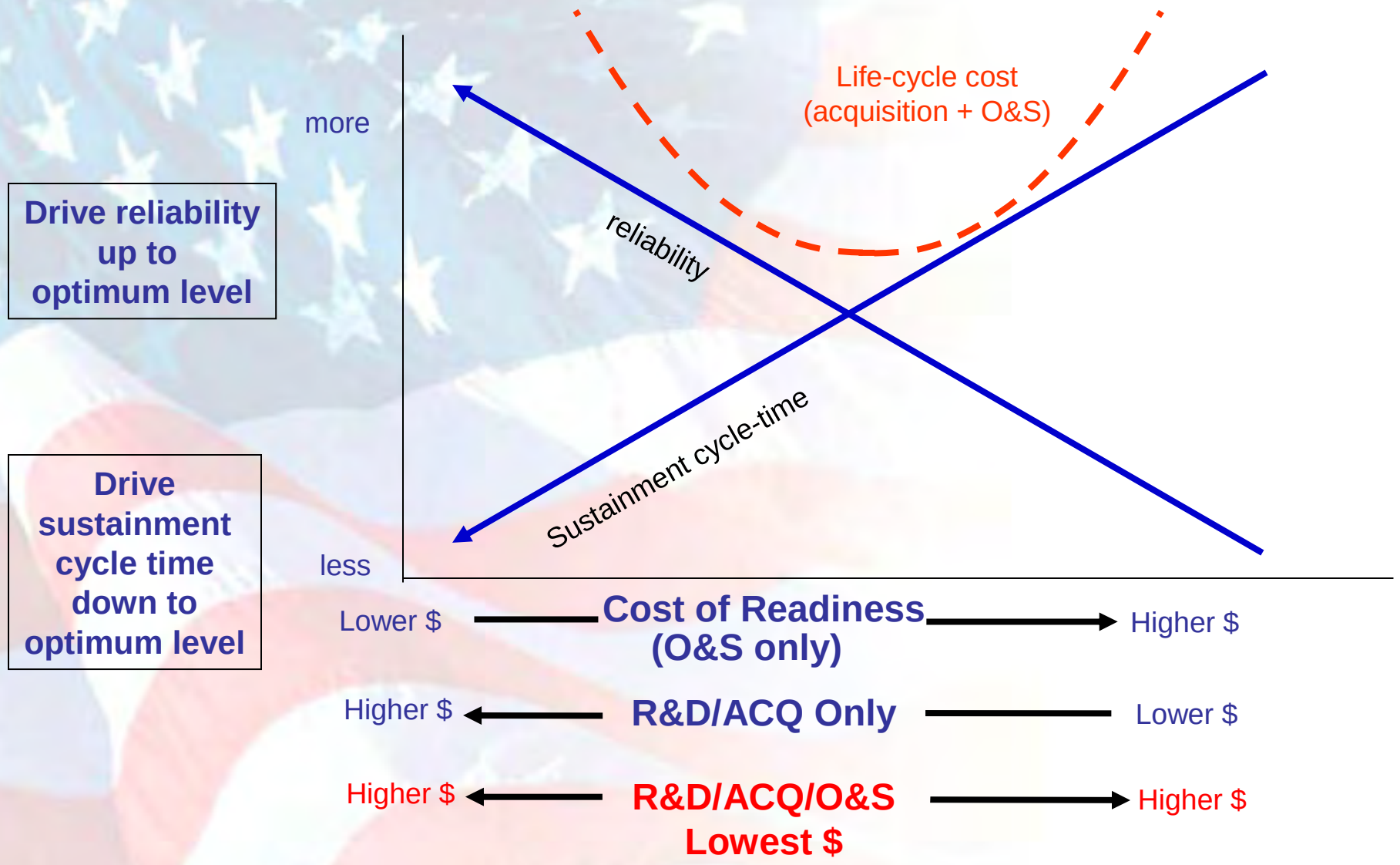
# Focus on continuous improvement (Maintenance Cycle Time Days)

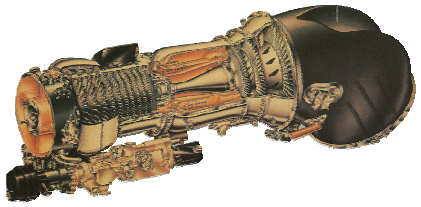





AIMD Lemoore Power Plants Shop
F404 Engine Repair Cycle Time

# Improving Materiel Readiness
# Reliability, Cycle-Time, Cost





# T58 Integrated Recovery Approach

*Current Process is out of **TUNE***

300 Engines Repaired per year

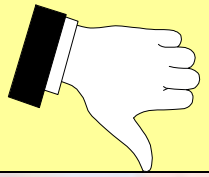
600 Eng req'd to meet CNO goals

400 hour MTBR

**T58-GE-402**

$700/Flight Hour

$165K/Repair



**COMMERICAL SPEC**

## Technical

- Life Management
- Reliability Centered Maintenance (RCM)
- Design Changes
- Engineering Investigations
- Failure Modes/Effects

**VH SPEC**

*Integrated Approach is Harmony.*

108 Engines Repaired per year

390 Eng req'd to meet CNO goals

1000 hour MTBR

**T58-GE-402**

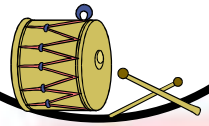
$380/Flight Hour

$250K/Repair

**Optimized T58 Repair Spec**


## Logistics

- Publications
- Parts Forecasting
- Inventory Tracking
- Build Specs
- Configuration Tracking



## Industrial

- Industrial Process
- Depot/I-Level (IA5A, FHP)
- Facilities/Capital Equipment (IA5A)
- Parts Forecasting (NWCF)
- Depot/I-Level Production (IA5A, FHP)

***Integrated Approach is HARMONY!***

# VISION - Focus Areas

- **Readiness Process(es) Improvement:**
  - **Improve System Life Cycle Management Prediction Capabilities**
    - **Expertise, Tools and T&E Facilities**
    - **Cause and effect modeling**
  - **Optimize Reliability**
    - **Implement CBM+/RCM**
      - **Preventing Maintenance Addresses Failure Characteristics**
      - **Optimize Repair/build specs**
  - **Optimize Cycle Time**
    - **Employ CPI (Lean, 6 Sigma, Theory of Constraints)**
    - **Integrate Depot and Intermediate Level Best Practice and Processes**
    - **Parts forecasting**
  - **Integrate Budgets**
    - **Balance Engineering, Logistics, Industrial Accounts**

# USCENTCOM

# The National Logistics Conference
## *Combatant Commanders Panel*

***2 March 2005***
***Miami, FL***

***UNCLASSIFIED***

# Desired Logistics Capabilities

- Y **Increased sustainment/surge capability**
- Y **Flexible strategic lift (operational and tactical enablers)**
- Y **SEE ALL- Use of Global Information Grid (GIG) to see and manage logistics**
- Y **Equipping the joint/expeditionary force**
- Y **Reconstitution (quick and effective)**


*Good*

*Satisfactory but could be better*

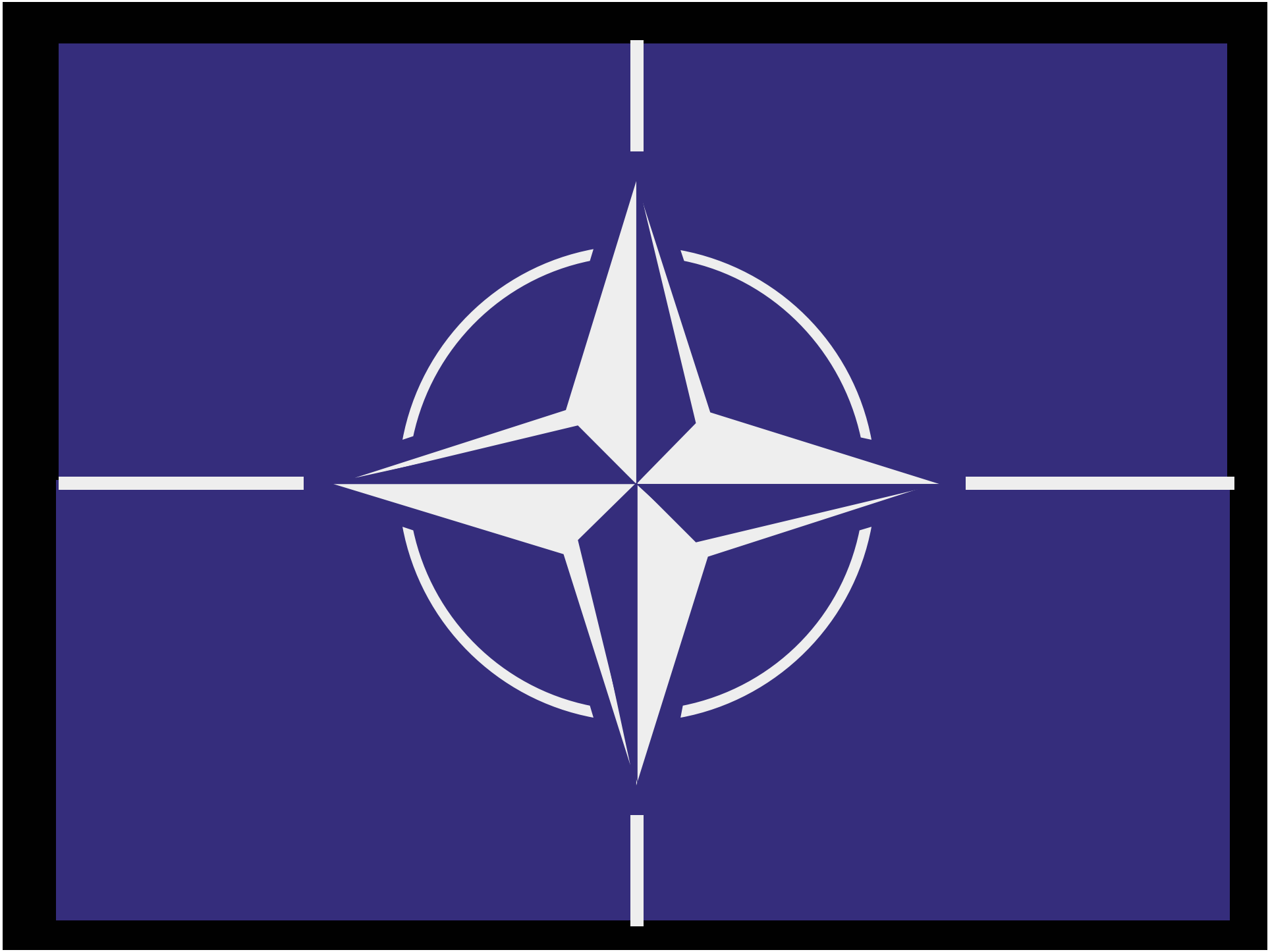
*Unsatisfactory*

# Where Military Services Can Help

- **Integrate the supply chain**
  - Understand the entire joint force requirement
  - Work toward common platform and component
- **Modernize theater distribution**
  - Joint theater level logistics command
- **Connect logisticians**
  - Integrated data environment
  - More than RF, VSAT like capability a joint solution whose time has come
- **Contractors are critical force provider**
- **Plan for reconstitution of forces**
  - Identify quicker ways to ramp up industrial base

# Where Industry Can Help

- Supply chain management and 3PL/4PL expertise
- Develop list of surge capabilities
- Accept risk in times of national need for key industries
- View logistics requirements from a joint perspective
- Integrate with DoD IT systems (E2E approach)




ALLIED COMMAND TRANSFORMATION

# Logistics Transformation


## *Achieving Knowledge-Enabled Logistics*

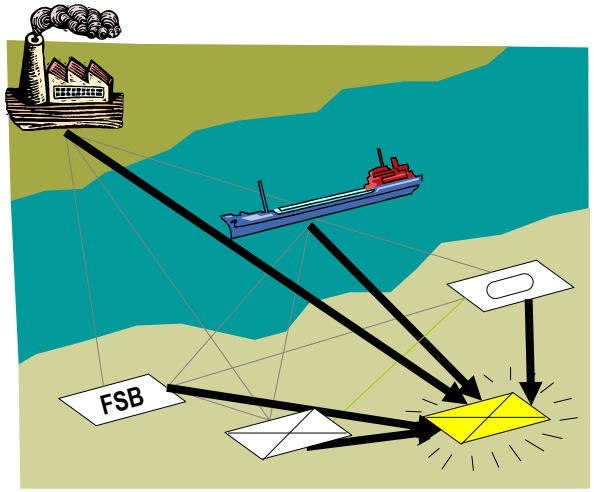
**1 March 2005**

# US National Security Priorities

- **Immediately Employable Force Option**
  - **High readiness**
- **Preemptive Capability**
  - **Global Force posture**
- **Net-Centric Warfare**
  - **Non-linear operations**
- **Focused Joint Logistics**
  - **Coalition operations**

# Logistics Transformation

| Mass-Based | Just-in-Time | Sense and Respond |
|---|---|---|




- More is better
- Mountains of stuff measured in days of supply
- Uses massive inventory to hedge against uncertainty in demand and supply
- Mass begets mass and slows everything down

**Prime Metric: Days of supply**

- Precision is better
- Reduce Inventory to a minimum and keep moving
- Use precise demand prediction and optimization to reduce uncertainty
- Works great, except when it doesn't

**Prime Metric: Flow Time**

- Agile is better
- Dynamically positioned Inventory throughout
- Use transportation flexibility and robust IT to handle uncertainty
- Supports adaptive operations

**Prime Metric: Effects**

***Developing a Coherent Roadmap***

# Tasking

## SPG Language

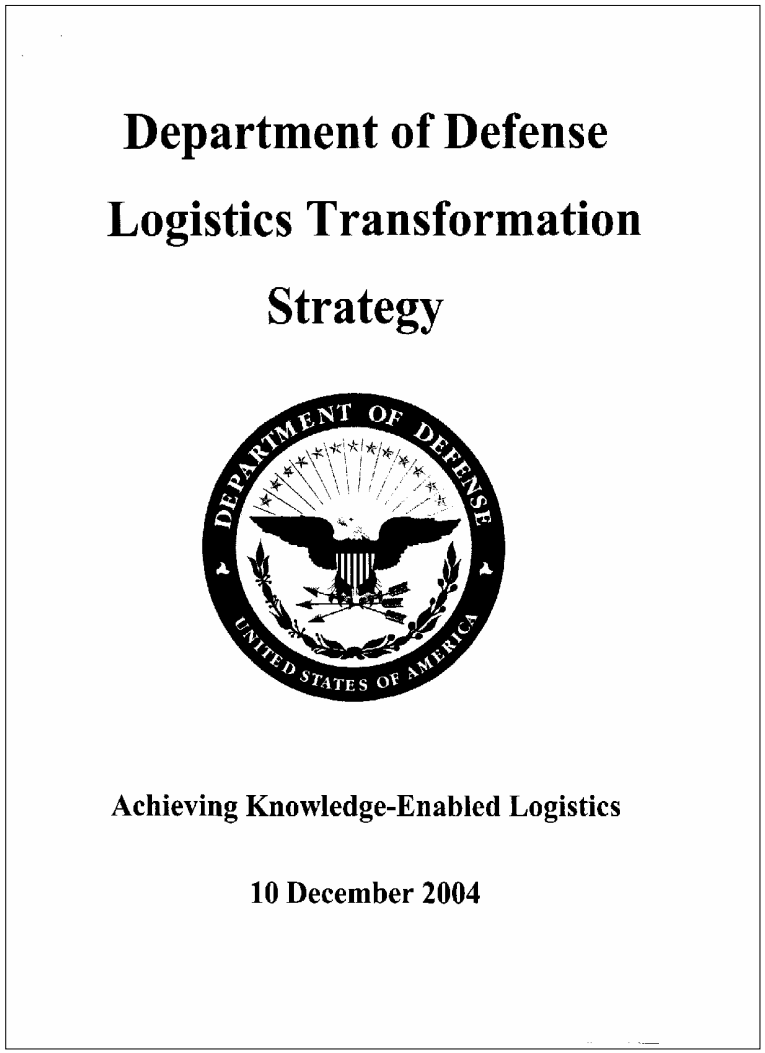
- By 30 September 2004, the USD(AT&L) will reconcile:
  - Sense and Respond Logistics (S&RL) concept
  - Force-Centric Logistics Enterprise (FLE)
  - Focused Logistics

  into a coherent logistics transformation strategy that supports distributed, adaptive operations.
- In addition, USD(AT&L) will initiate a joint effort to integrate *logistics from point-of-effect to source of supply/services, across Services and Defense Agencies.*

## USD(AT&L) Memo

- Logistics Transformation Roadmap will provide a coherent way forward, including milestones and resources, that encompasses:
  - Force-Centric Logistics Enterprise (FLE)
  - Ongoing Distribution Process Owner efforts
  - Sense and Respond Logistics
  - Joint Theater Logistics Management
- Product will be a Transformation Roadmap for integrating *logistics from point-of-effect to source of supply/services, across Services and Defense Agencies.*

# Logistics Transformation Strategy




- Recognized Focused Logistics as JROC-Approved Concept
- Incorporated key Sense and Respond Tenets
- Subsumed Force-Centric Logistics Enterprise initiative
- Recognized ongoing transformation efforts (TRANSCOM, JFCOM, Joint Logistics, Joint Integrating Concept)
- Provided Strategic Milestones to enable future refinement

# Key Remaining Issues

- Full integration of intel, operations, logistics, and a net-centric environment in the Global information Grid?
- Network hosted business rules for sourcing and lateral redistribution
  - Including allied material?
- Industrial base responsiveness to demand signals
  - With a "build-to-order" industry?
- DoD capability to process demand signals (that are not requisitions)?
  - Sensor suites and backfitting to fielded systems
  - Routing and response messaging
- Expanding Combatant Commanders directive authority?
- Broader global sourcing of material and services?
- Reduced theater logistics footprint, relying on reach back capability?
- DoD capability to document, translate, and manage commander's intent and situational awareness into appropriate logistics actions in an automated process?
- Dramatic increases in logistics process integration
  - Which requires increased systems integration?

***Joint Logistics Board will consider these issues over the next 18 months.***

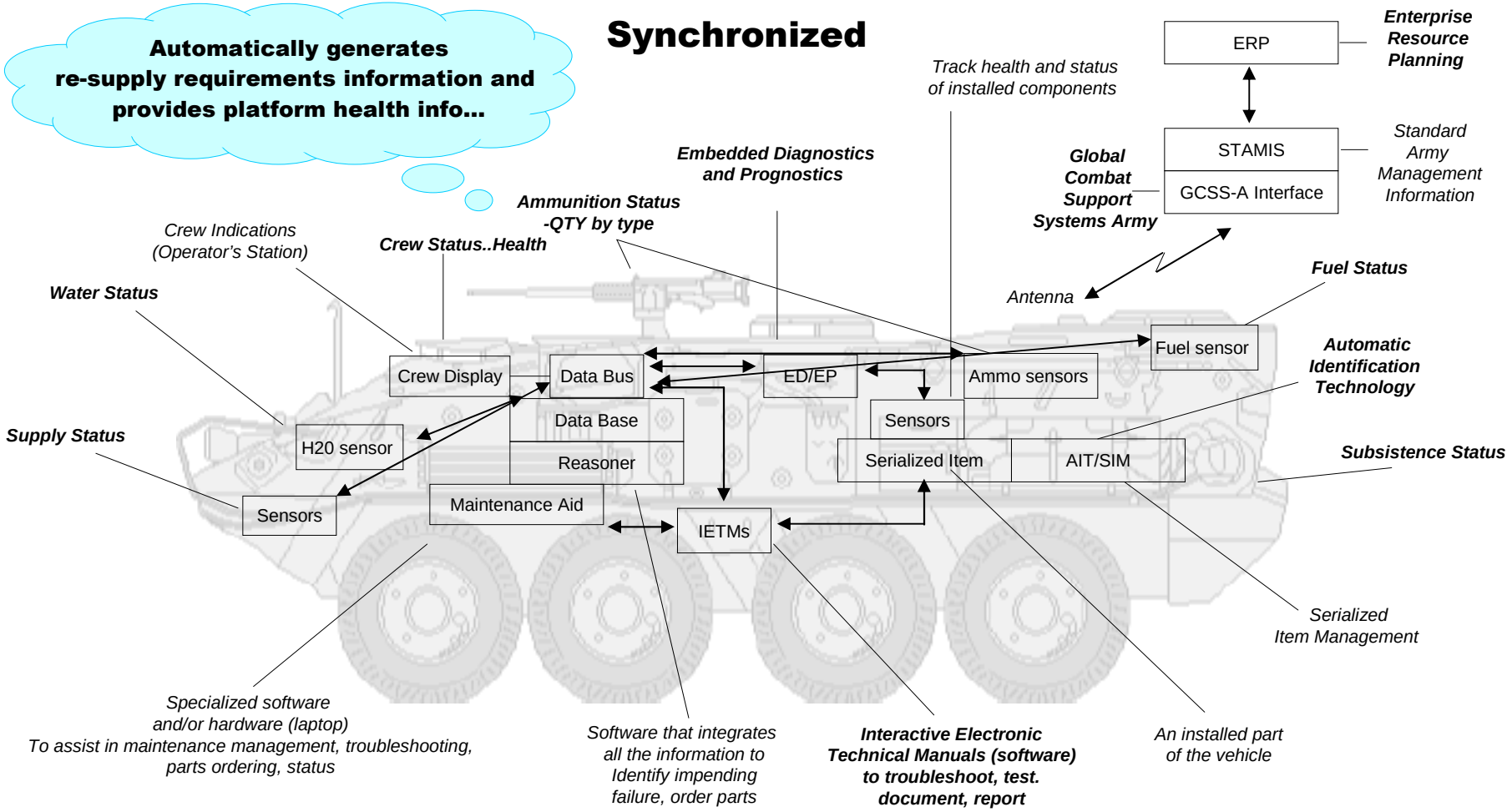
# Army Stryker Vehicle

## *Integrated Weapon System Status and Health Management*

**Sensor-Based** **Self Monitoring** **Self Reporting**

**Automatically feeds Army Shared Data Environment**

**Synchronized**



# Stryker

**Averaging 16-20 days for parts to be shipped from the United States to the unit.**

**98% current OR Rate (total)**

**94% average OR Rate over 189 days of combat operations.**

**OIF: 200 Engagements**
**No Kills or Mobility Kills**
**No Soldiers Lost**

# Stryker

**"I just did a year in Iraq…. If we did not have [Stryker], there would have been a lot of dead Joes."**

**"Stryker is an urban pacification vehicle. I love it."**

**"I personally would rather get out of the Army than go somewhere that doesn't have the Stryker."**

***-Sgt. John Hedrington****

**"The Stryker Isn't a poster child gone bad. It has saved the lives of many of my fellow soldiers."**

**"One of my sister platoon's Strykers was hit by five rocket-propelled grenades and everyone on that crew is still walking."**

**"Our weapons were plenty for the missions we were placed in."**

**"The tires lasted longer than track pads."**

***-Staff Sgt. Johnathan Vines****

*Quoted in *Defense News* 1/17/2005

# *Today's Distinguished Panel*

- Mr. Dave Pauling – Assistant Deputy Under Secretary of Defense (Maintenance Policy, Programs, and Resources)
- Mr. Richard Wylly, Director, Government Business Development, Collins Aviation Services, Rockwell Collins, Inc.
- Mr. Sheldon Margolis, Director, Lifetime Support, Lockheed Martin Maritime Systems and Sensors

# Key Issues for Panel Discussion

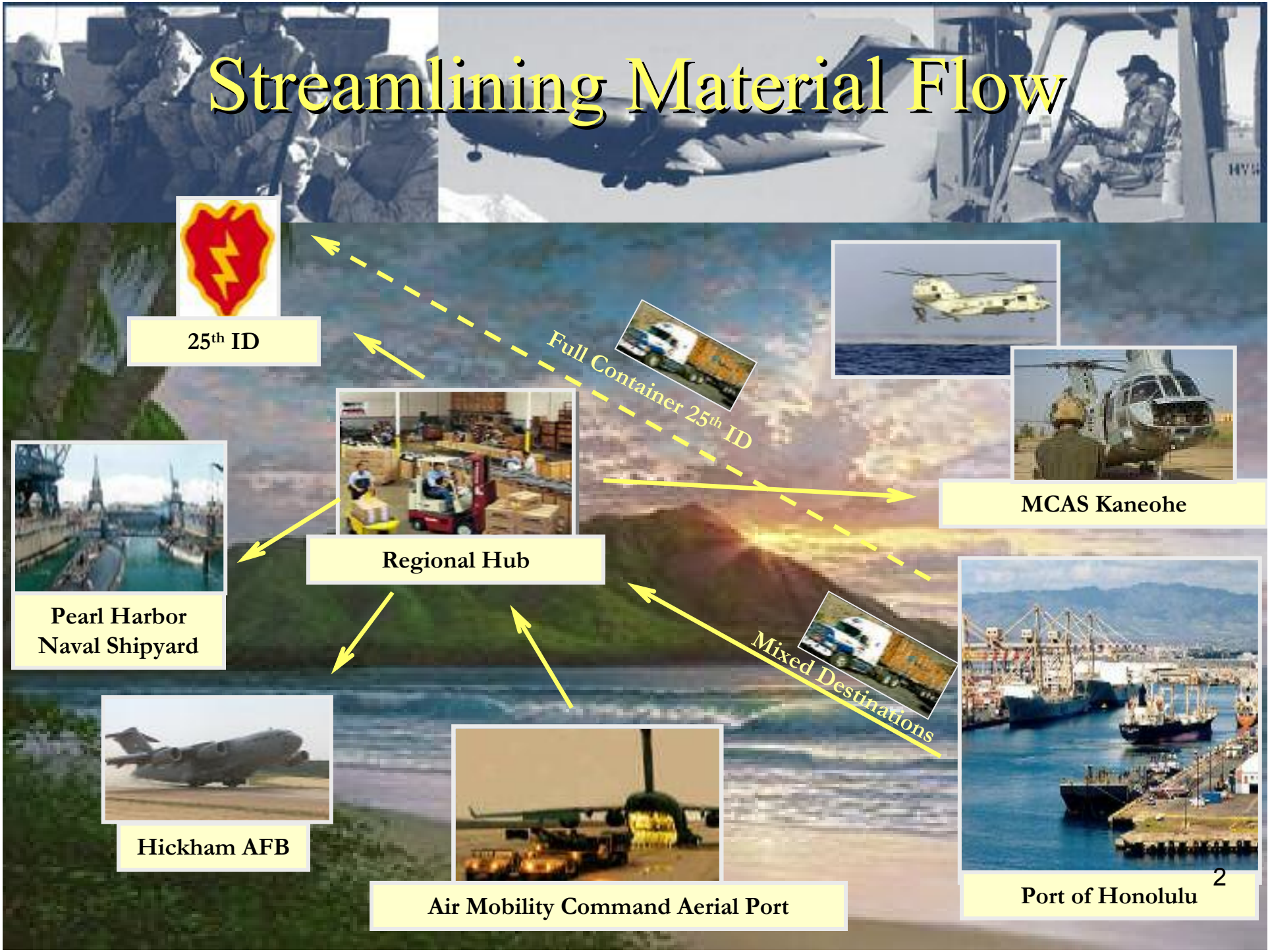
- What is industry's performance to date in support major weapon systems in OEF/OIF?
- How can we achieve continuous improvement and agility in our weapon system support processes?
- What is DoD and industry doing to capitalize on prognostics to enable "Sense and Respond Logistics?"
- How can DoD incentivize industry to become "world-class" supply chain managers and increase agility?
- What are the barriers to global sourcing of weapon system support products?

# 21st National Logistics Conference & Exhibition

## DoD Supply Chain Integration Challenges & Initiatives

March 1, 2005

# Streamlining Material Flow



# Collaborating on challenges

- Collaborative inventory management with suppliers
- Tracking  retrograde return to rework
- Multi-indenture, multi-echelon decision support tools
- Business rules for “Last time, all time” buys
- Optimal allocation of items in short supply
- Responsive support to agile, expeditionary forces
- Developing allowances for operating units
- Sparse intermittent demand

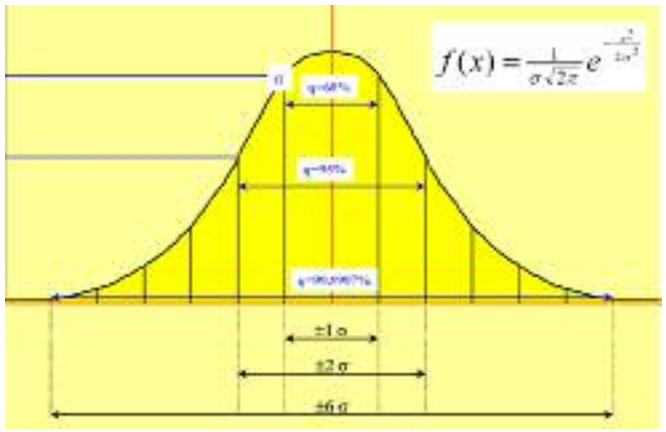
# Focusing on Expectations

## Ready

## Responsive

| Su | Mo | Tue | We | Thu | Fri | Sat |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | | | | | |

## Reliable




## Rational

# *Panel on Contractors in the Battle Space: Policy and Practice*

KBR


David W. Swindle, Jr. P.E.

*Vice President*

*Kellogg Brown and Root Services – KBR*



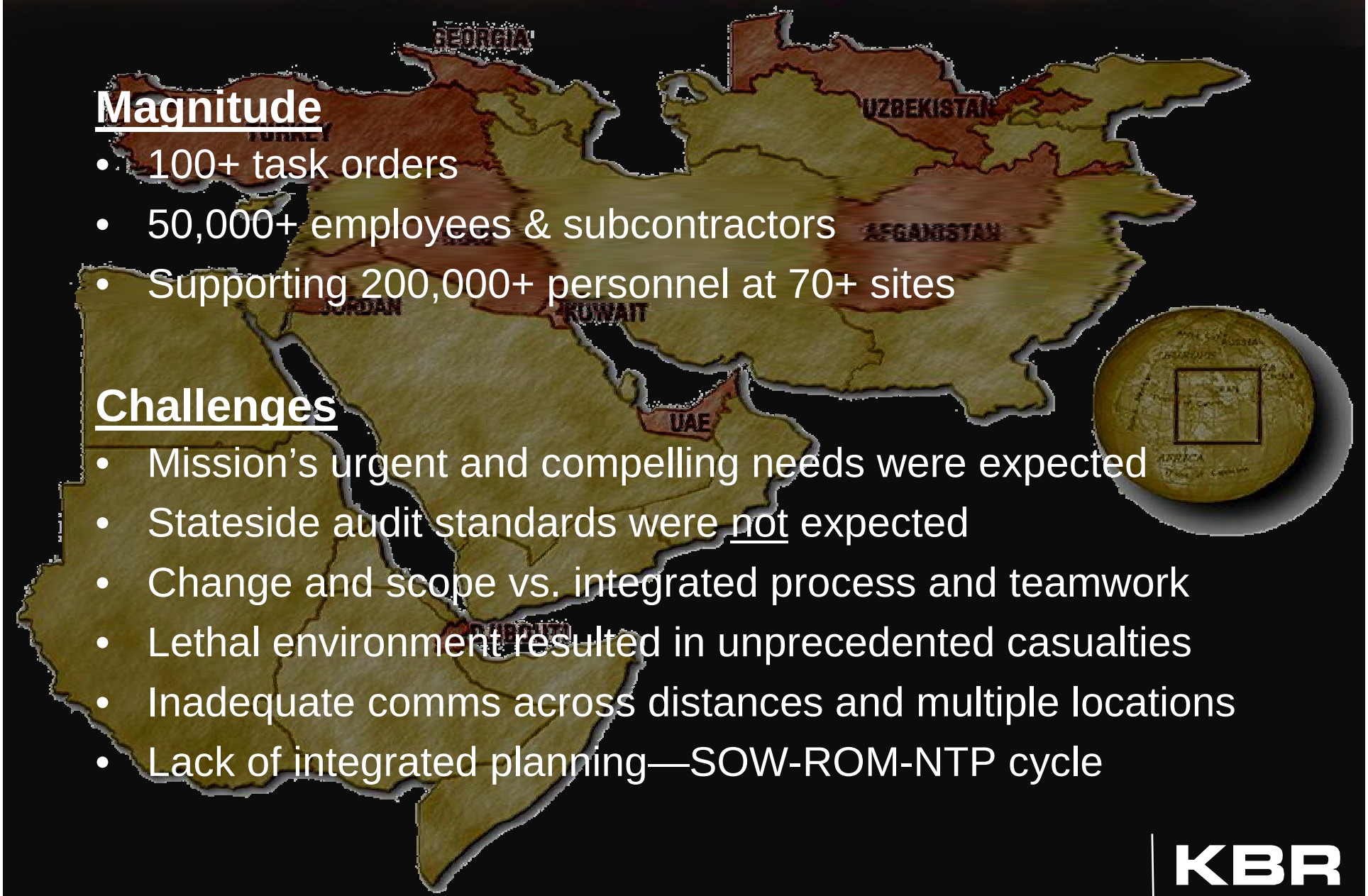
***Presented at:***

**21st National Logistics Conference and Exhibition**

**February 28 – March 3, 2005**

**Miami, FL**

# LOGCAP Today




## Magnitude

- 100+ task orders
- 50,000+ employees & subcontractors
- Supporting 200,000+ personnel at 70+ sites

## Challenges

- Mission's urgent and compelling needs were expected
- Stateside audit standards were not expected
- Change and scope vs. integrated process and teamwork
- Lethal environment resulted in unprecedented casualties
- Inadequate comms across distances and multiple locations
- Lack of integrated planning—SOW-ROM-NTP cycle

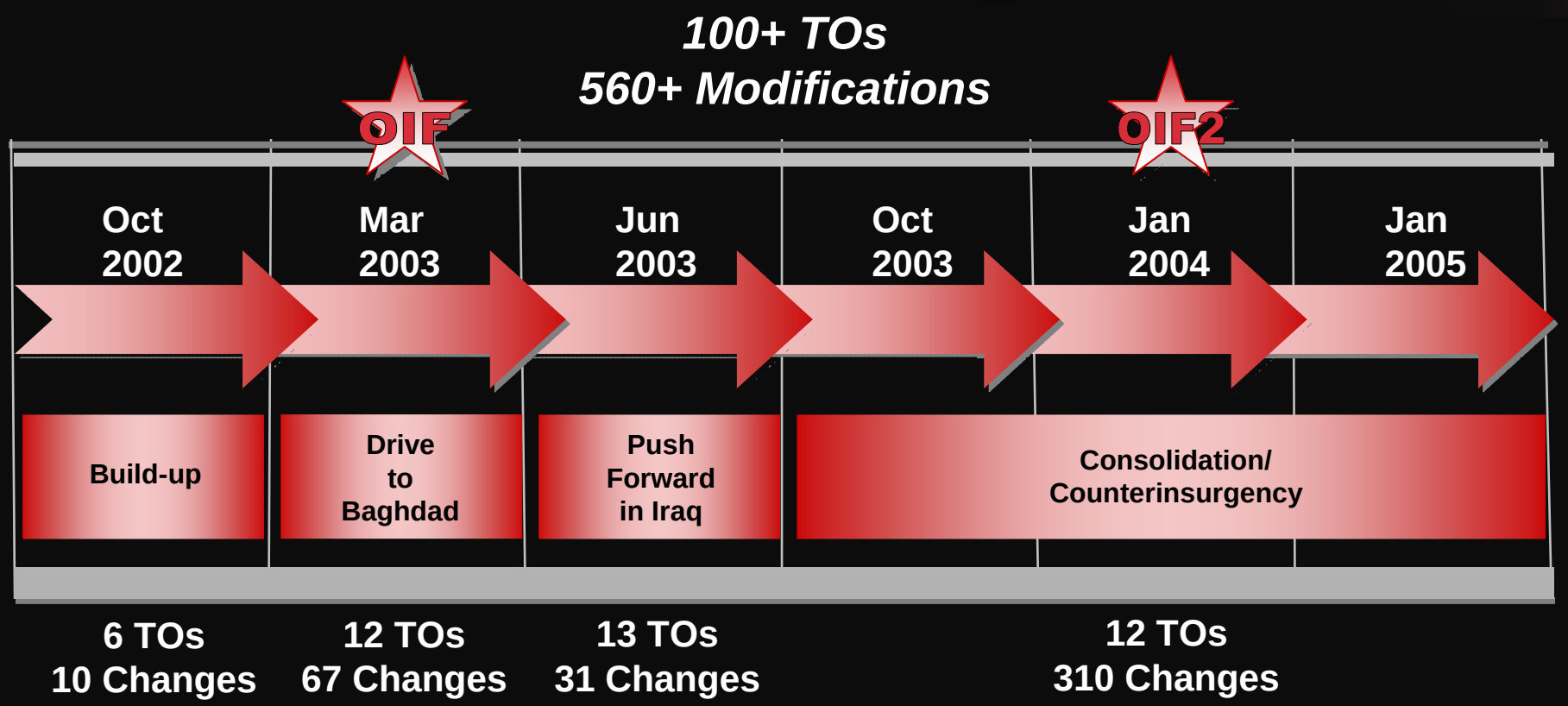
KBR

# LOGCAP Successes

**Since deploying to the Middle East, KBR has:**

- Prepared 170 million meals
- Washed 7 million bundles of laundry
- Produced 1.2 billion gallons of potable water
- Transported 330 million gallons of fuel
- Hosted 20 million patrons at MWR facilities
- Logged 50 million miles transporting supplies and equipment for the Army, with 900 trucks on the road on any given day

# Constant Change




## *GAO Report (July 04):*

**Embed planners and resource Team LOGCAP to manage tempo and change responsibly**

KBR

# Lessons Learned

**Creating the conditions for success in multiple theaters**

- ✓ Adapt FAR to contingency—use contingency standards
- ✓ Integrate contractor and customer critical tasks (planning, business, force protection) in:
  - Mission Training Plans (MTPs)
  - Program of Instruction (POI)
  - Mission Readiness Exercises (MREs) and Transfer of Authority (TOA)

KBR

# We Deliver

**Despite:**

- 60 fatalities & 250+ hostile injuries,
- $600M to $1.2B in working capital,
- Daily hostile acts,
- Disallows, withholds, billing cycle disruptions…

**No mission failure**

**No work stoppage**

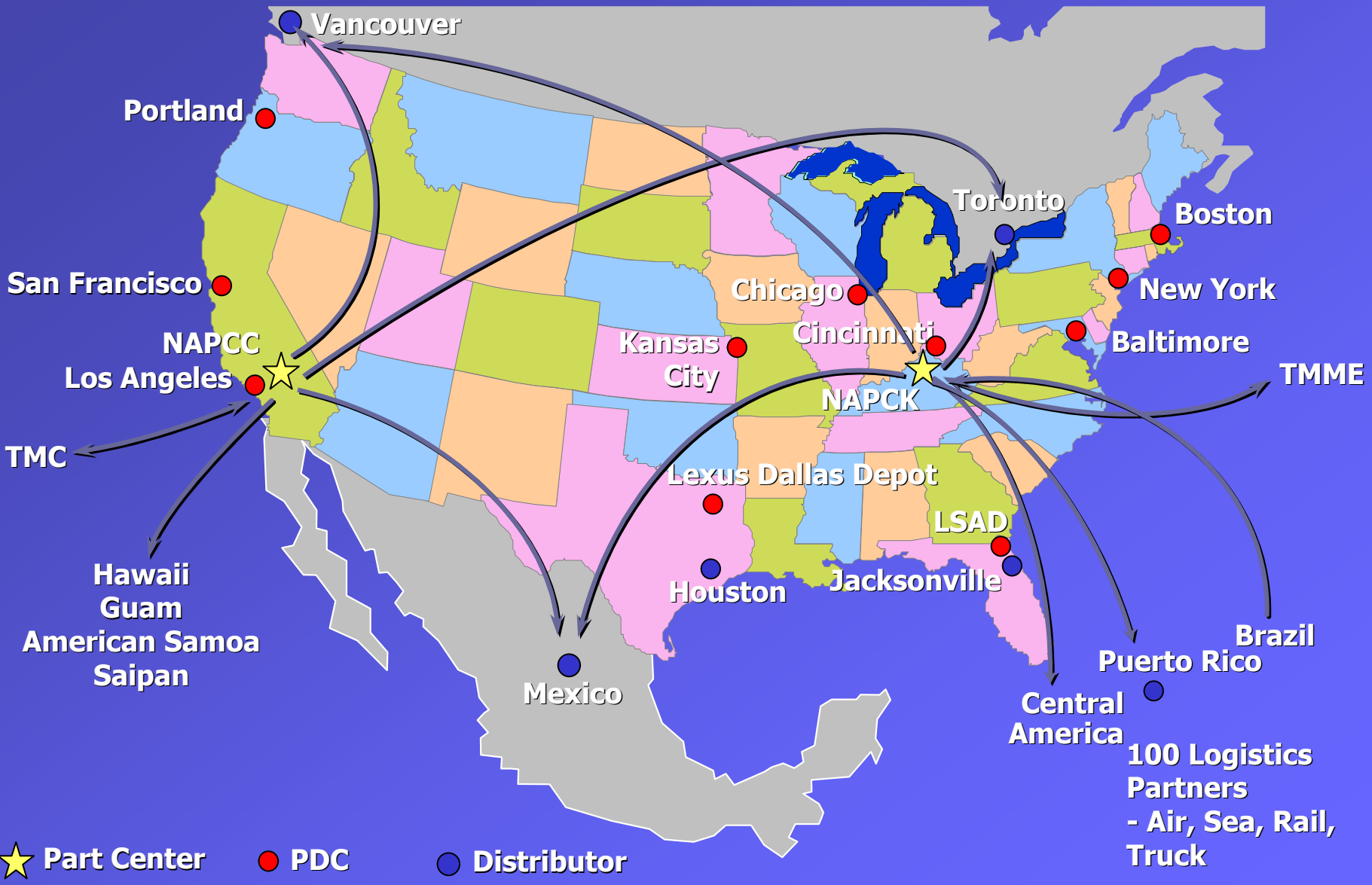
KBR


# Peggy Turner

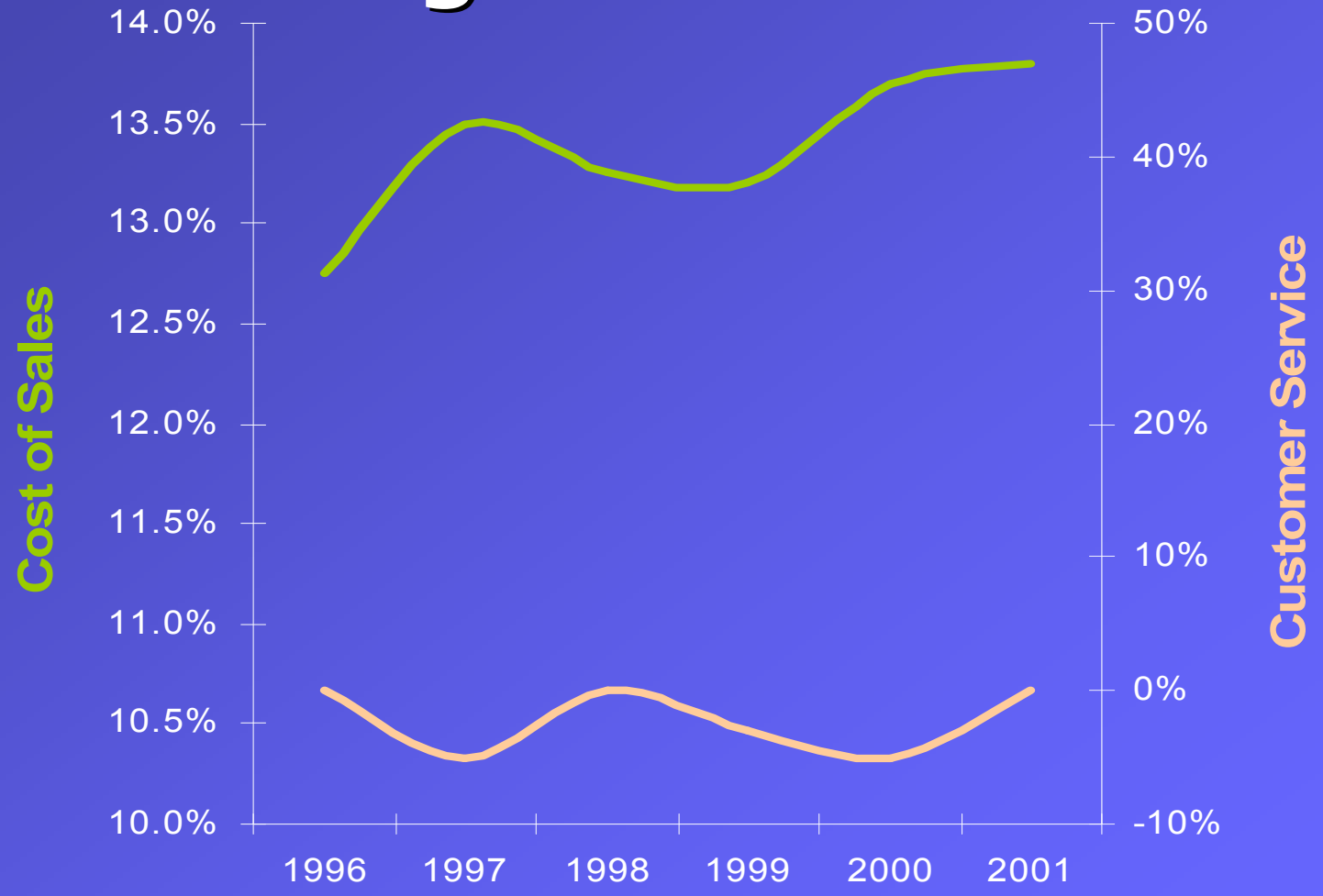
## Corporate Manager, Supply Chain Strategy
## North American Parts Operations (NAPO)

# NAPO Service Parts Distribution Network

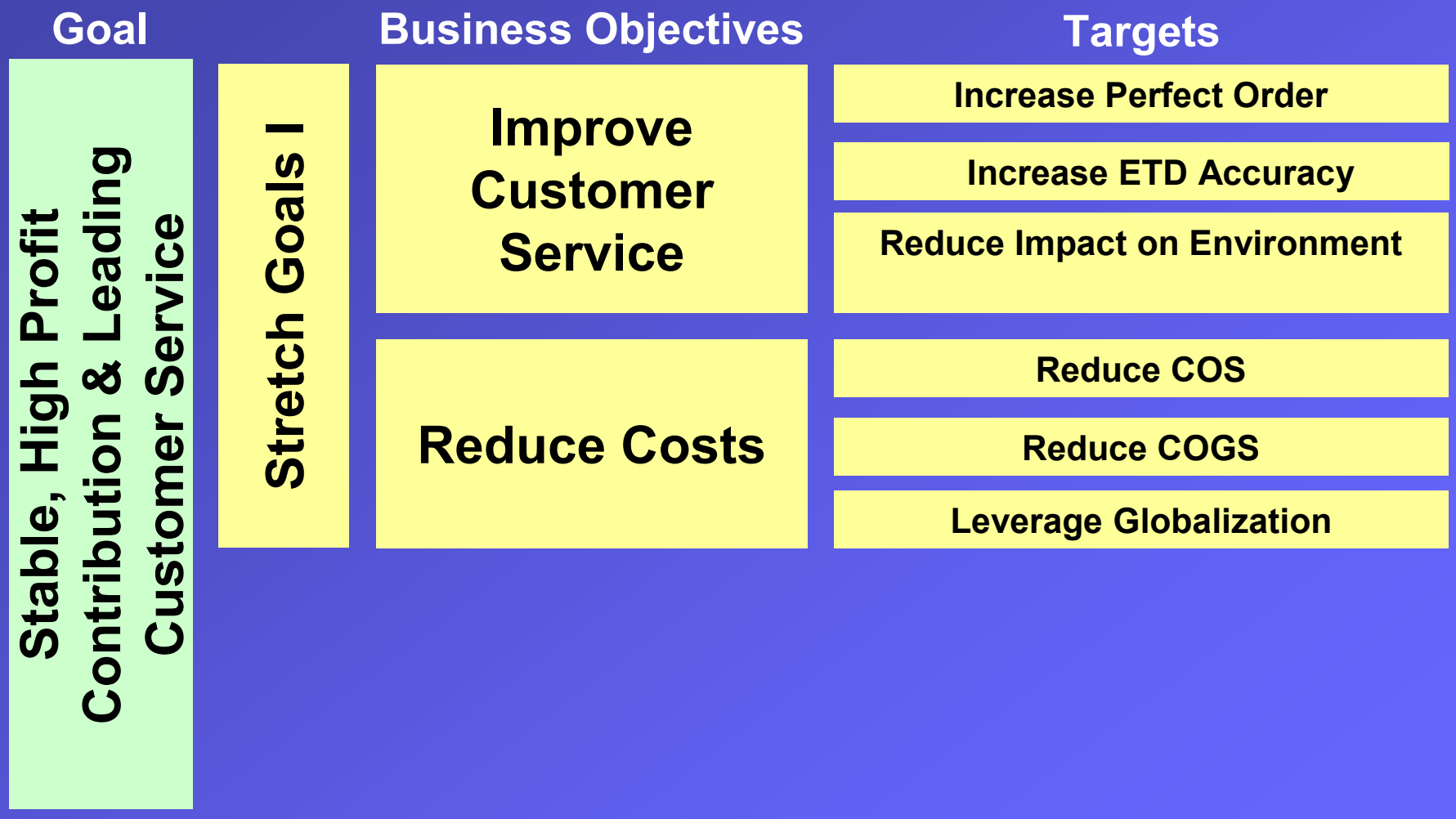
**More than 800 NA Supplier Locations**



# Increasing Costs and Stagnant Service

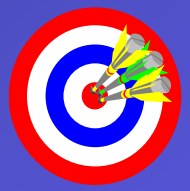


# Stretch Goals



# Tension among Target Areas

**COST** ⟷ **CUSTOMER** ⟷ **ENVIRONMENT**

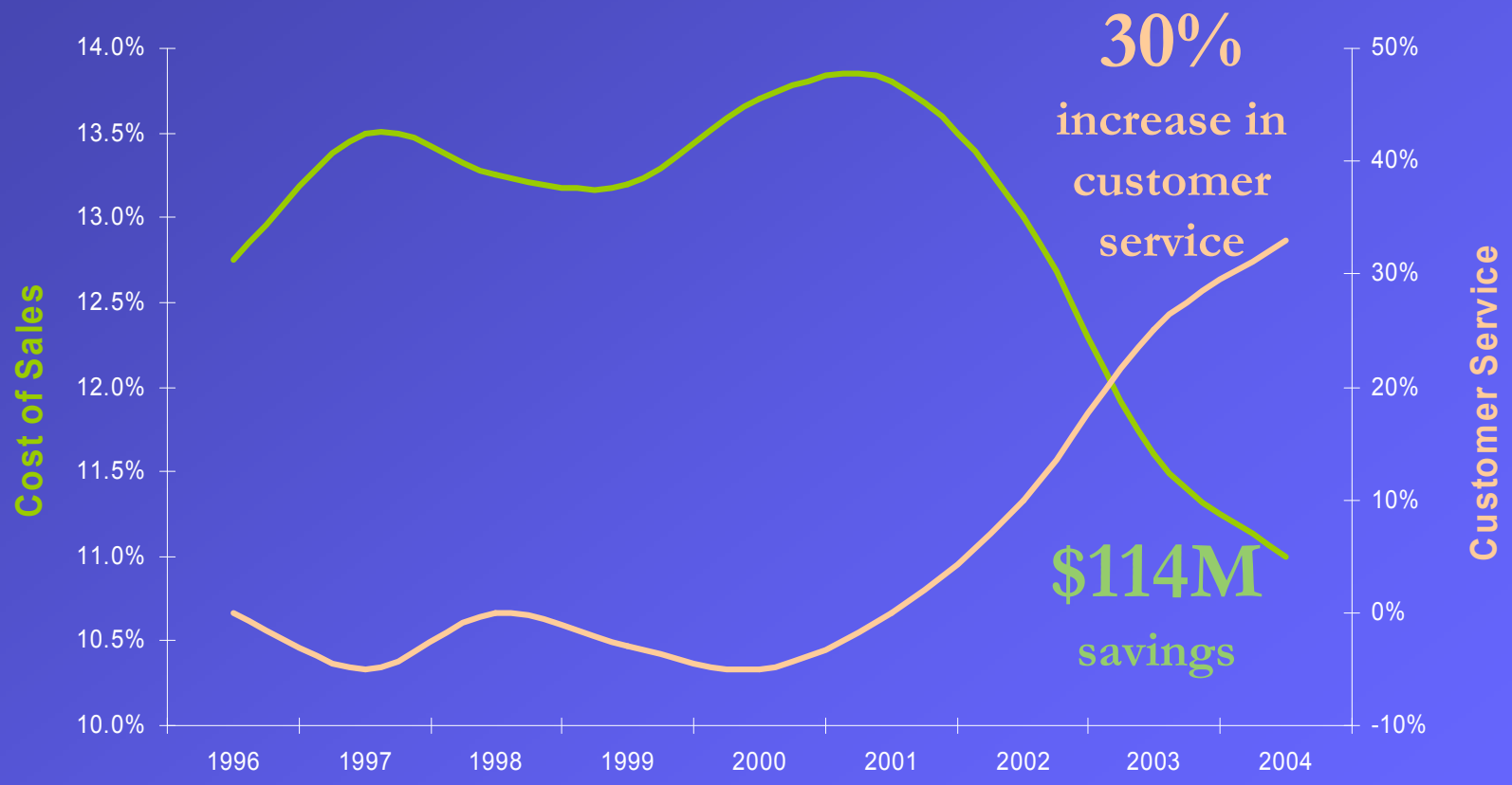




| | | |
|---|---|---|
| Inventory Reduction<br>*-50%* | ⟷ | Back Orders/Fill Rate<br>*-50%* |
| Facility Throughput<br>*+25%* | ⟷ | Errors/Safety<br>*-50%* |
| Transportation Costs<br>*-25%* | ⟷ | Supply Lead Time<br>*-40%* |
| Packaging/Landfill<br>*-25%* | ⟷ | Damage<br>*-50%* |

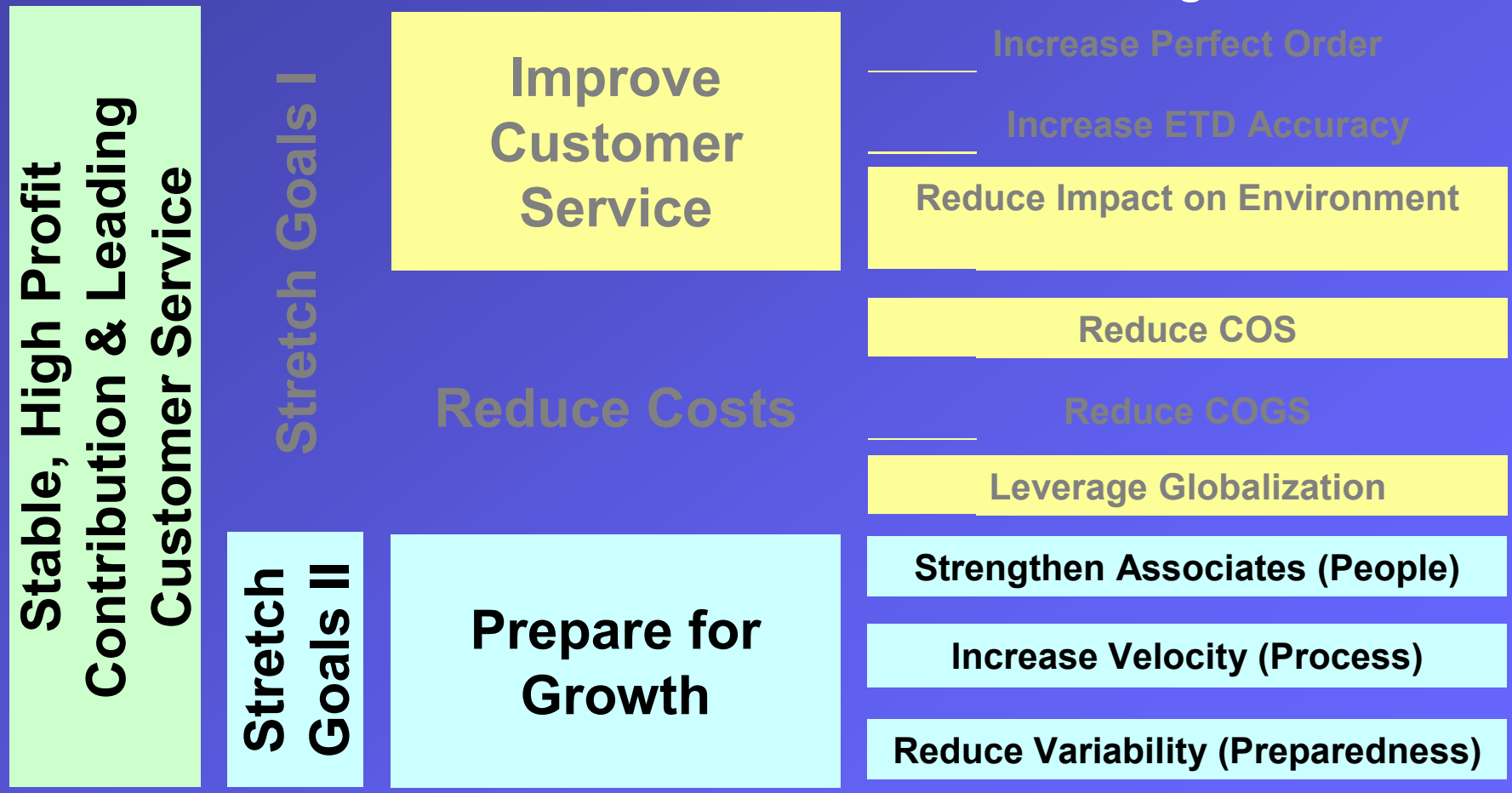
# Keys to Success

- Supportive Culture
- Leadership
- Metrics
- Coordinating Activities
- Communication
- Celebrating Problems
- Business Partner Relationships
- Celebrating Success

# Tracking Our Successes



# Stretch Goals II



# Air Force Installations and Logistics Transformation

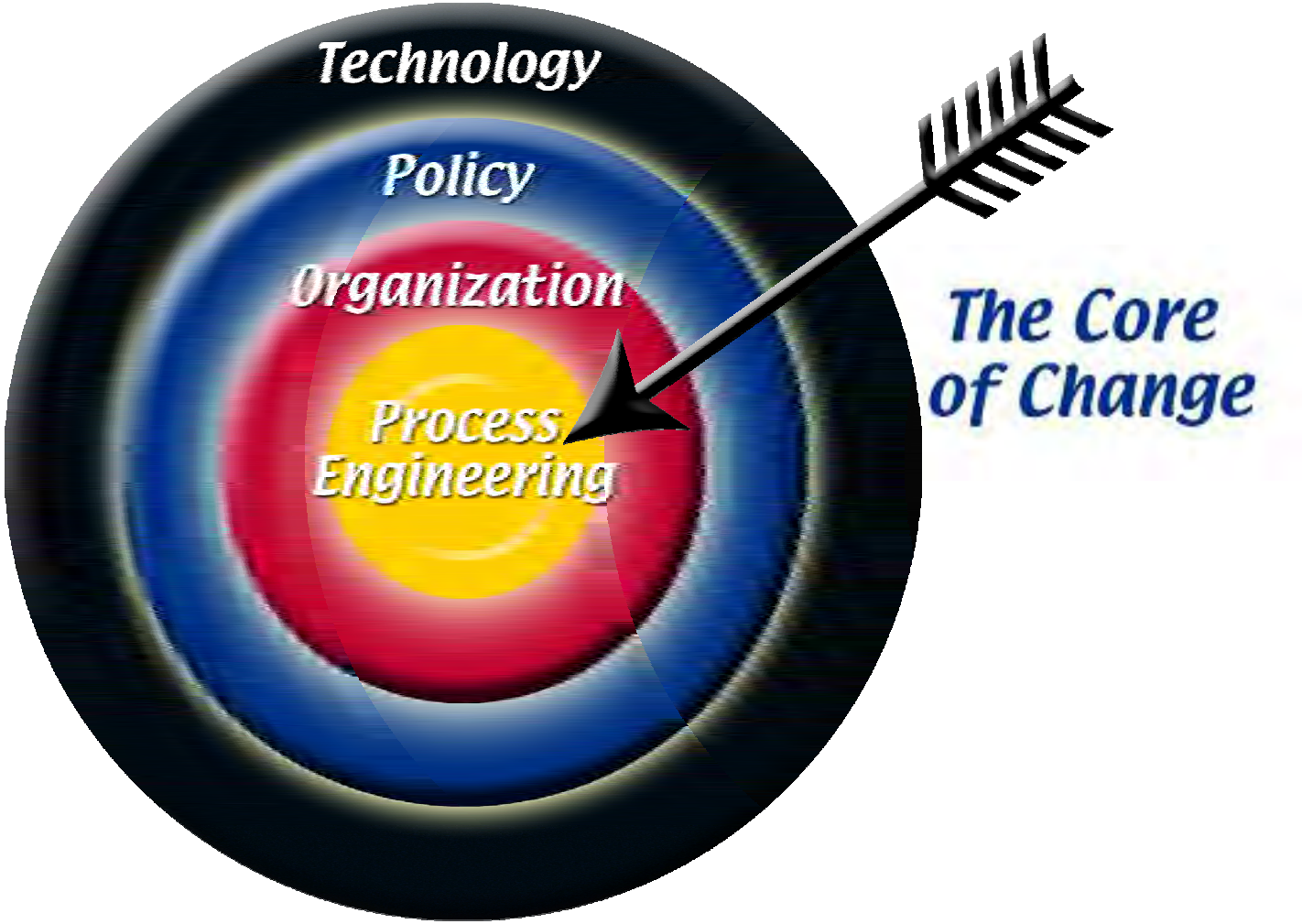

**Lt Gen Don Wetekam**

*Deputy Chief of Staff for Installations & Logistics*

# Air Force I&L Transformation

- It's not your father's Air Force anymore
- Combat Convoys: Air Force garnered Army's "Best Company"
- CIRFs: Train the way we fight and create centers of excellence through Centralized Intermediate Repair Facilities
- RSSs: Streamlining capability and integration through Regional Supply Squadrons
- AFMC: Reorganization to wing structure; significant gains through process improvement efforts
- ECSS: Enterprise approach and reduce 748 IT systems

# IL Transformation Approach



# I&L Success Stories

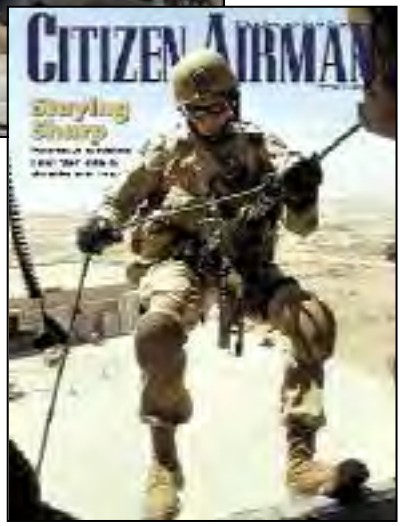
- **Tinker AFB (OC-ALC): KC-135 aircraft docks**
  - Additional 100 aircraft available
  - Flowdays reduced from 380 to 205
  - Reduced # of docks from 18 to 15
  - On-time delivery increased 73%

- **Dover AFB: C-5 isochronal inspection process**
  - Flowdays reduced from 20 to 14 days
  - Eliminated mid-shift

- **AF/ILE: Streamlined Air Force design-build process**
  - AF/ILEC heading tri-service effort
  - First pass: Flowdays reduced from 1,046 to 615 days (41%)

# I&L and Industry

- Partnerships
  - Process improvement is key
  - Leadership support maintains stability
  - Cooperation ensures seamless operations
- Focus on future capabilities
  - Conquer tomorrow's threats… not today's
- Sensitivity to budget constraints
  - Don't do more with less… do less with less
- Support the Citizen Soldier / Airman
  - Air Force's foundation for Future Total Force



# UNITED STATES AIR FORCE

***Integrity - Service - Excellence***

# *Distribution Process Owner (DPO)*

**Ms Virginia Williamson**

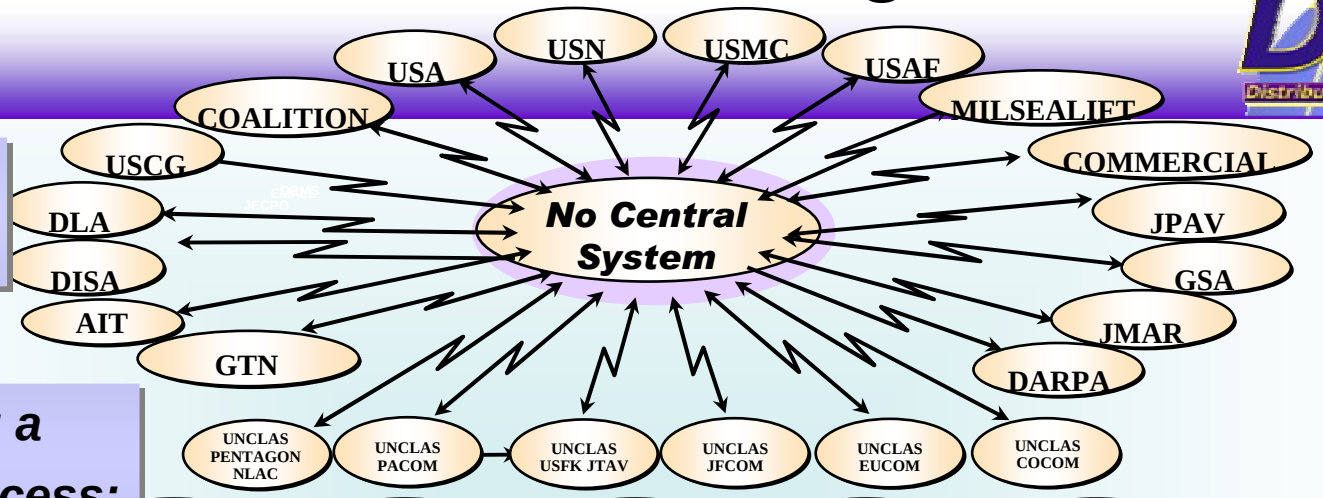
**USTCJ6-D**

**3 Mar 2005**

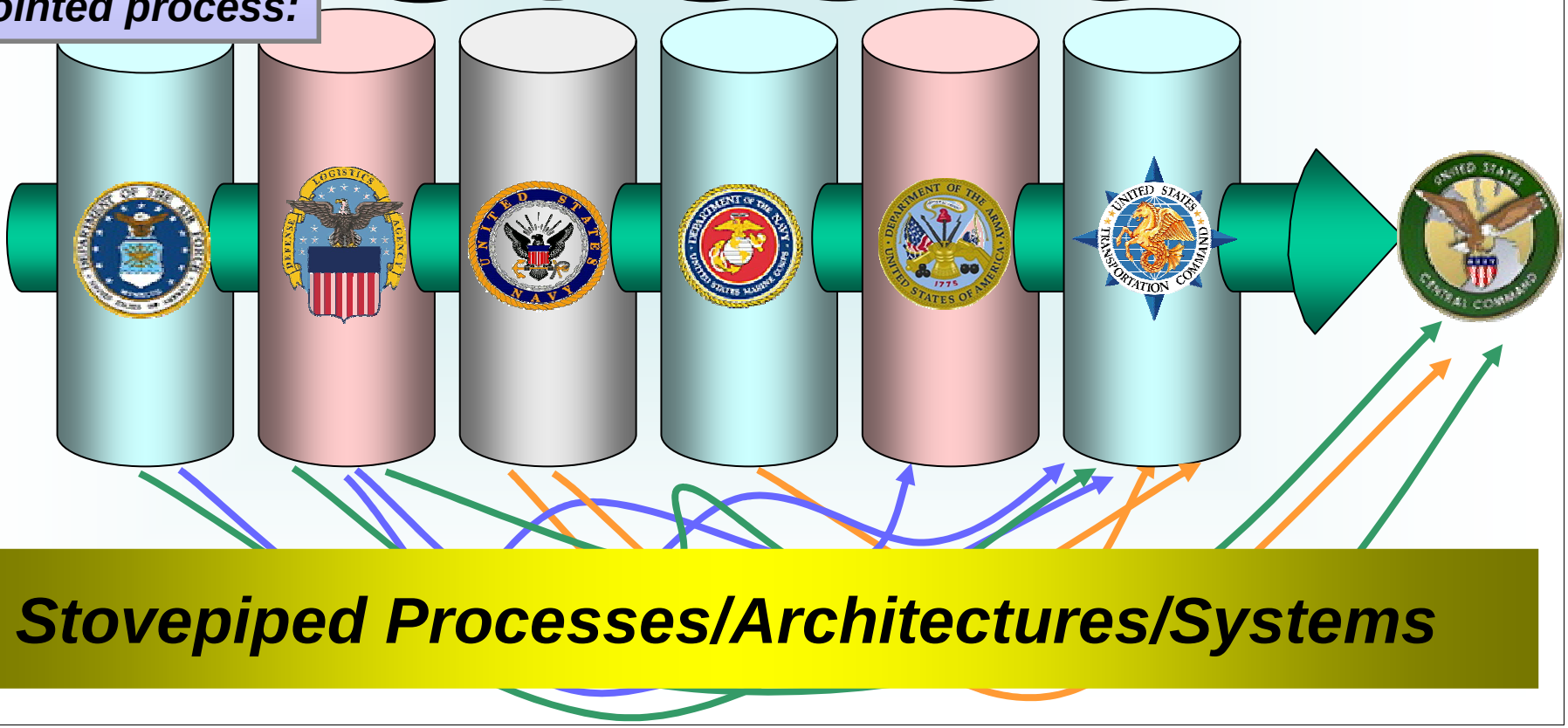
# The Challenge

DPO
Distribution Process Owner

***A disjointed system:***

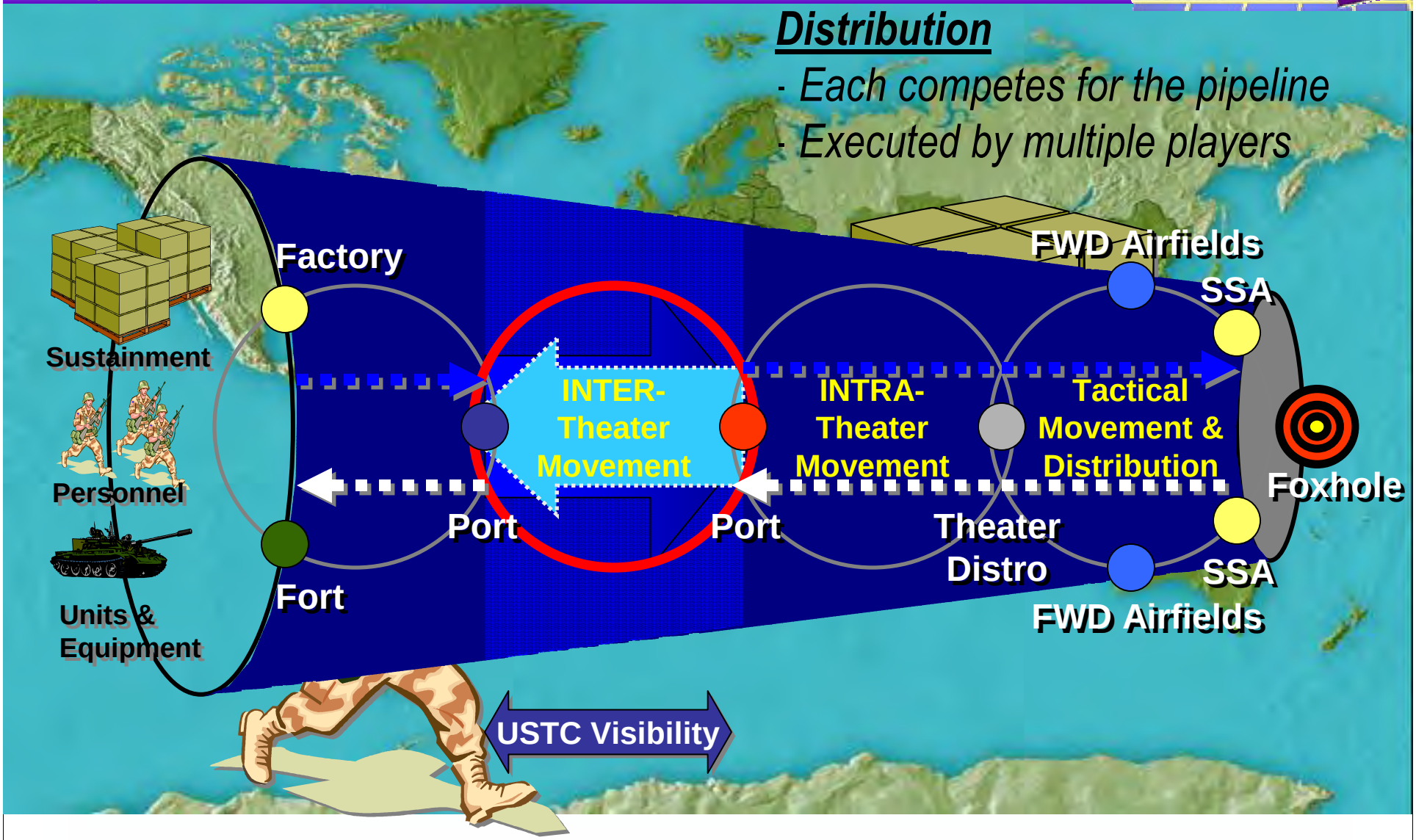



***Supporting a disjointed process:***

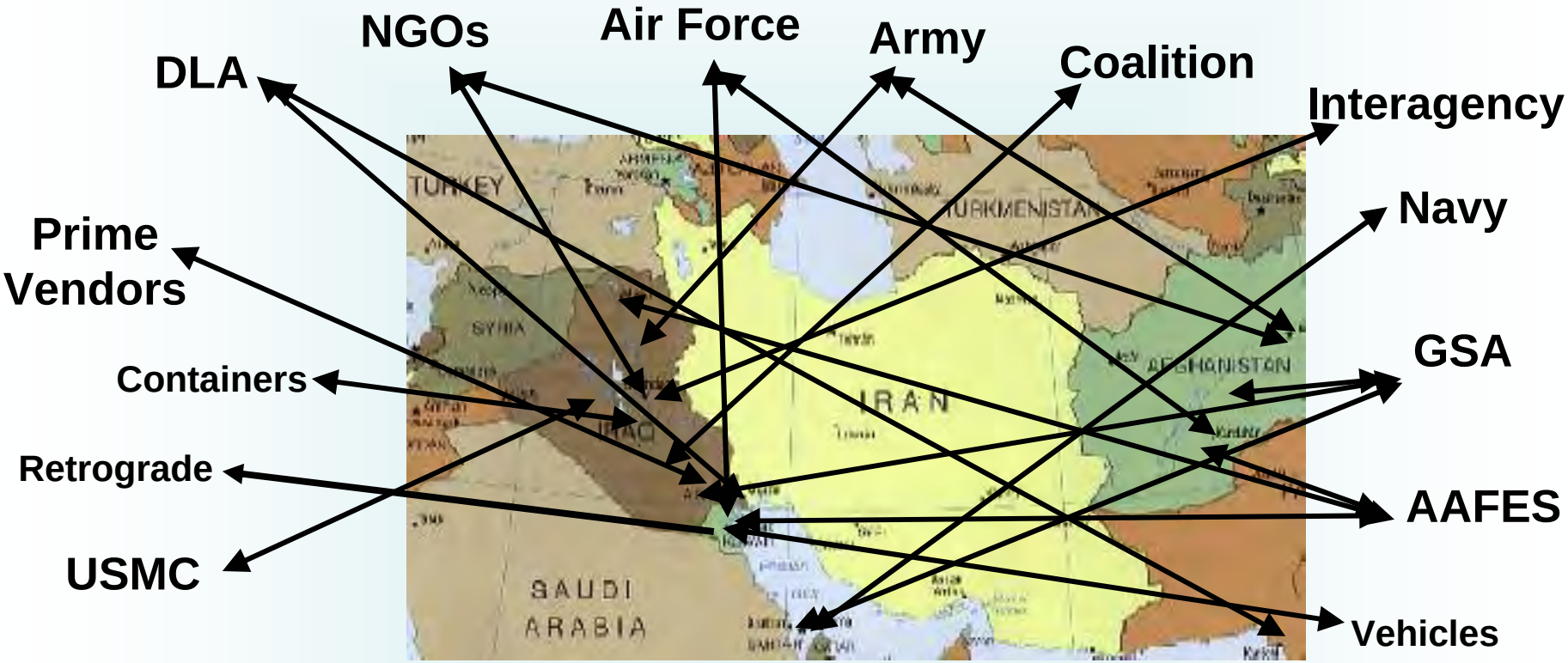


***Stovepiped Processes/Architectures/Systems***

# "Before" DPO Designation



# Distribution Challenge




**Who's setting priorities?**
**Who's the receiver?**

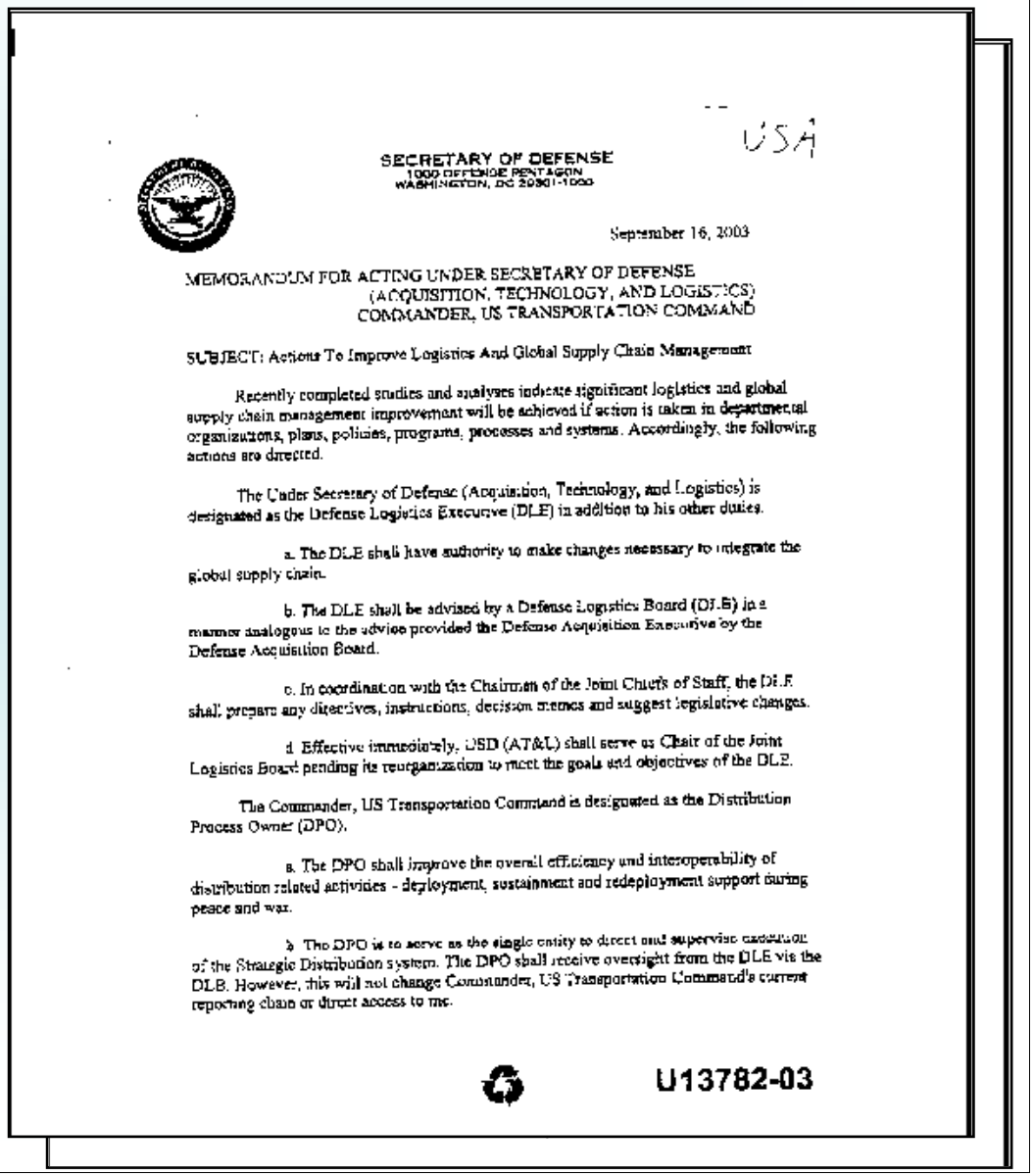
**Who's directing execution?**
**Who's metering the flow?**

# DPO Tasking

SECDEF designated CDR, USTRANSCOM as Distribution Process Owner (DPO) – 16 Sep 03

Responsibilities:

- Improve overall efficiency & interoperability of distribution related activities
- Serve as single entity to direct & supervise execution of the strategic distribution system



USA

SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

September 16, 2003

MEMORANDUM FOR ACTING UNDER SECRETARY OF DEFENSE
(ACQUISITION, TECHNOLOGY, AND LOGISTICS)
COMMANDER, US TRANSPORTATION COMMAND

SUBJECT: Actions To Improve Logistics And Global Supply Chain Management

Recently completed studies and analyses indicate significant logistics and global supply chain management improvement will be achieved if action is taken in departmental organizations, plans, policies, programs, processes and systems. Accordingly, the following actions are directed.

The Under Secretary of Defense (Acquisition, Technology, and Logistics) is designated as the Defense Logistics Executive (DLE) in addition to his other duties.

a. The DLE shall have authority to make changes necessary to integrate the global supply chain.

b. The DLE shall be advised by a Defense Logistics Board (DLB) in a manner analogous to the advice provided the Defense Acquisition Executive by the Defense Acquisition Board.

c. In coordination with the Chairman of the Joint Chiefs of Staff, the DLE shall prepare any directives, instructions, decision memos and suggest legislative changes.

d. Effective immediately, OSD (AT&L) shall serve as Chair of the Joint Logistics Board pending its reorganization to meet the goals and objectives of the DLE.

The Commander, US Transportation Command is designated as the Distribution Process Owner (DPO).

a. The DPO shall improve the overall efficiency and interoperability of distribution related activities - deployment, sustainment and redeployment support during peace and war.

b. The DPO is to serve as the single entity to direct and supervise execution of the Strategic Distribution System. The DPO shall receive oversight from the DLE via the DLB. However, this will not change Commander, US Transportation Command's current reporting chain or direct access to me.

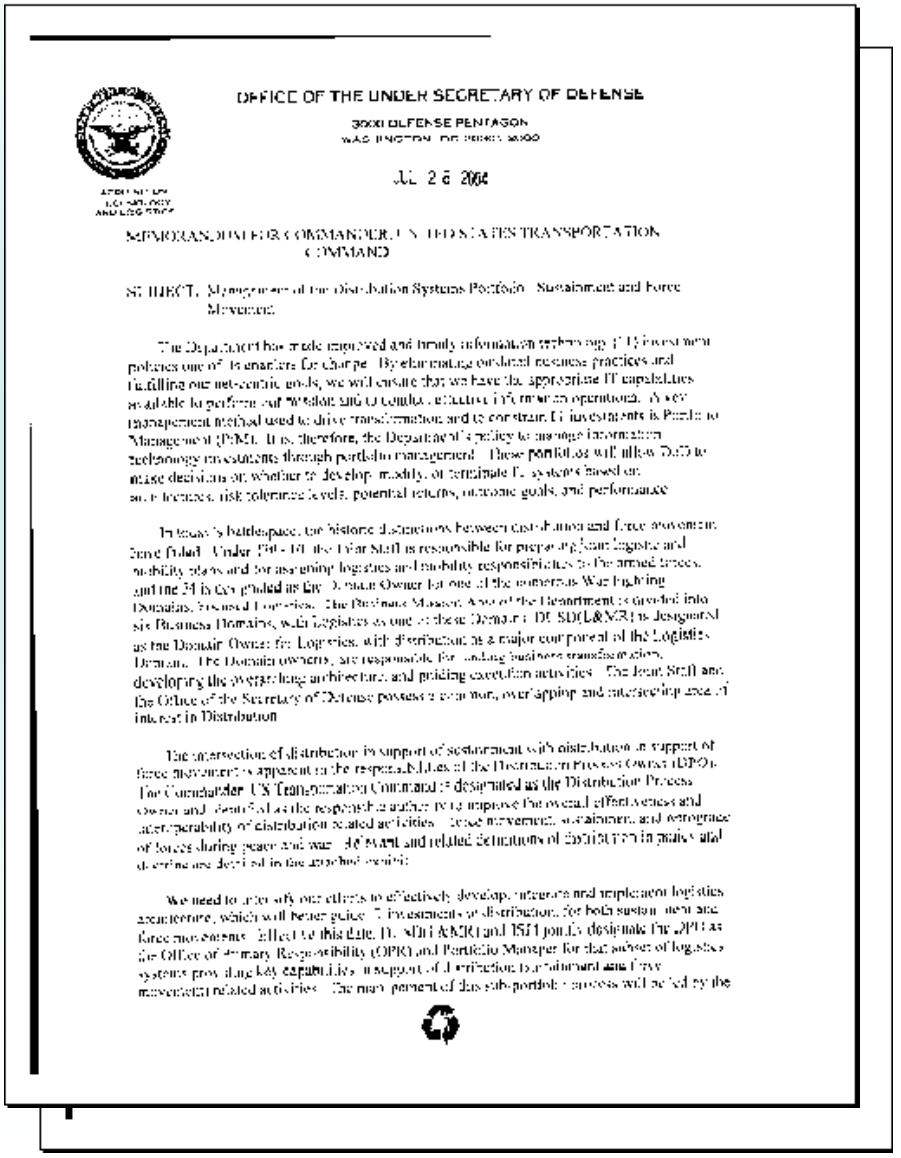
U13782-03

# DPfM Tasking

**USD (AT&L) & JSJ4 jointly designated CDR USTRANSCOM as Distribution Portfolio Manager (DPfM) – 28 Jul 04**

**<u>Responsibilities</u>:**

- **Portfolio Manager for key distribution systems providing capabilities in support of sustainment and force movement**
- **Serve as the integrating office for Distribution Architecture within the Logistics Architecture (BEA-LOG)**



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON

WASHINGTON, DC 20301-3000

JUL 26 2004

MEMORANDUM FOR COMMANDER, UNITED STATES TRANSPORTATION COMMAND

SUBJECT: Management of the Distribution Systems Portfolio – Sustainment and Force Movement

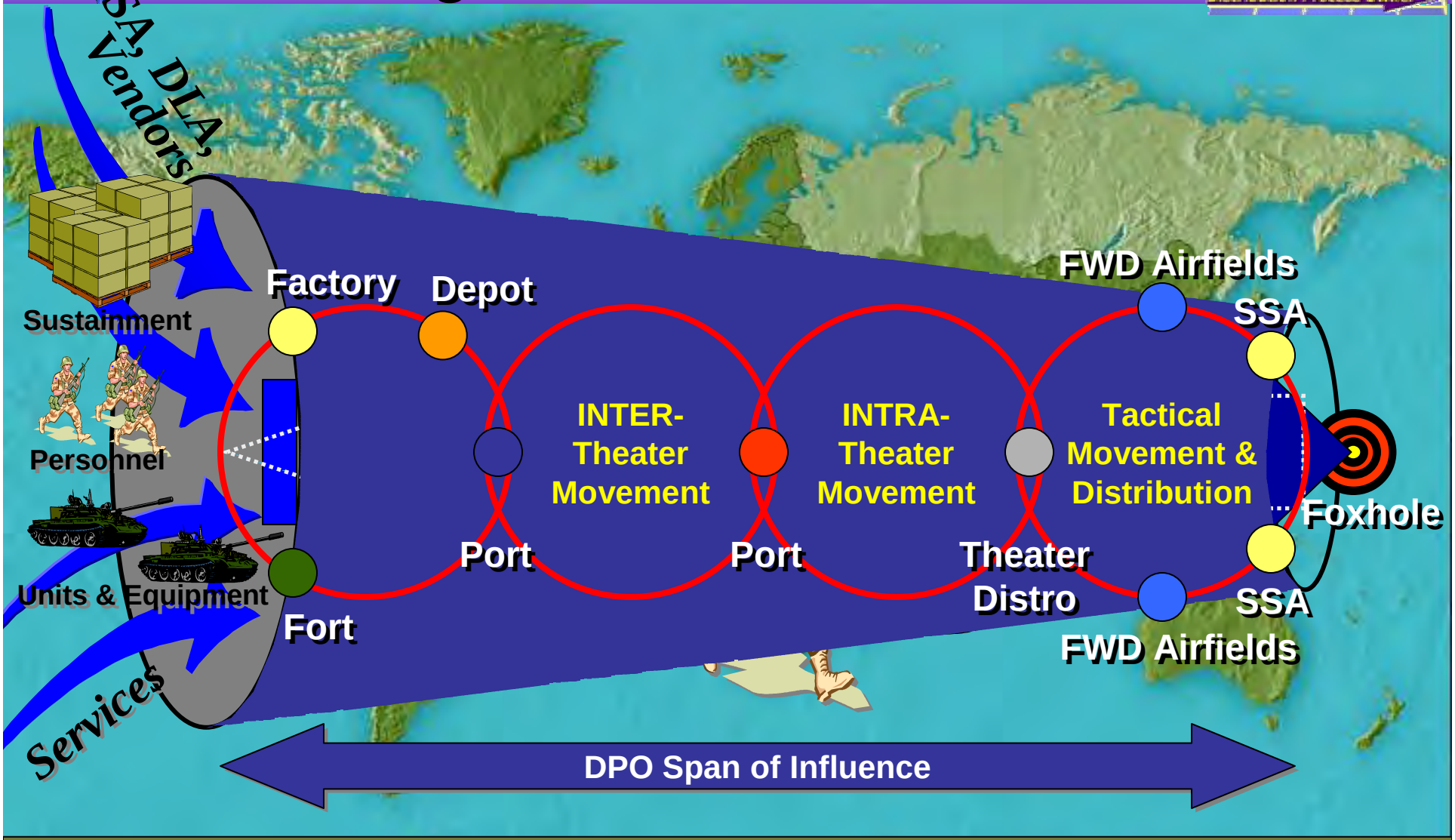
The Department has made improved and timely information technology (IT) investment policies one of its priorities for change. By eliminating outdated business practices and fulfilling our net-centric goals, we will ensure that we have the appropriate IT capabilities available to perform our Warfighting and to conduct efficient DoD mission operations. A key management method used to drive transformation and to constrain IT investments is Portfolio Management (PfM). It is, therefore, the Department's policy to manage information technology investments through portfolio management. These portfolios will allow DoD to make decisions on whether to develop, modify, or terminate IT systems based on [illegible], risk tolerance levels, potential returns, outcome goals, and performance

In today's battlespace, the historic distinctions between distribution and force movement have faded. Under DoD 5158.03, the Joint Staff is responsible for preparing joint logistic and mobility plans and for ascertaining logistics and mobility responsibilities to the armed forces, and the J4 is designated as the Domain Owner for one of the numerous War Fighting Domains, Focused Logistics. The Business Mission Area of the Department is divided into six Business Domains, with Logistics as one of those Domains. DUSD(L&MR) is designated as the Domain Owner for Logistics, with distribution as a major component of the Logistics Domain. The Domain owners are responsible for leading business transformation, developing the overarching architecture, and guiding execution activities. The Joint Staff and the Office of the Secretary of Defense possess a common, overlapping and interdependent area of interest in Distribution

The intersection of distribution in support of sustainment with distribution in support of force movement is apparent in the responsibilities of the Distribution Process Owner (DPO). The Commander, US Transportation Command is designated as the Distribution Process Owner and Portfolio Manager responsible and accountable to improve the overall effectiveness and interoperability of distribution related activities. Force movement, sustainment, and retrograde of forces during peace and war, DoD 4500.9-R, and related definitions of [illegible] in joint doctrine are detailed in the attached matrix.

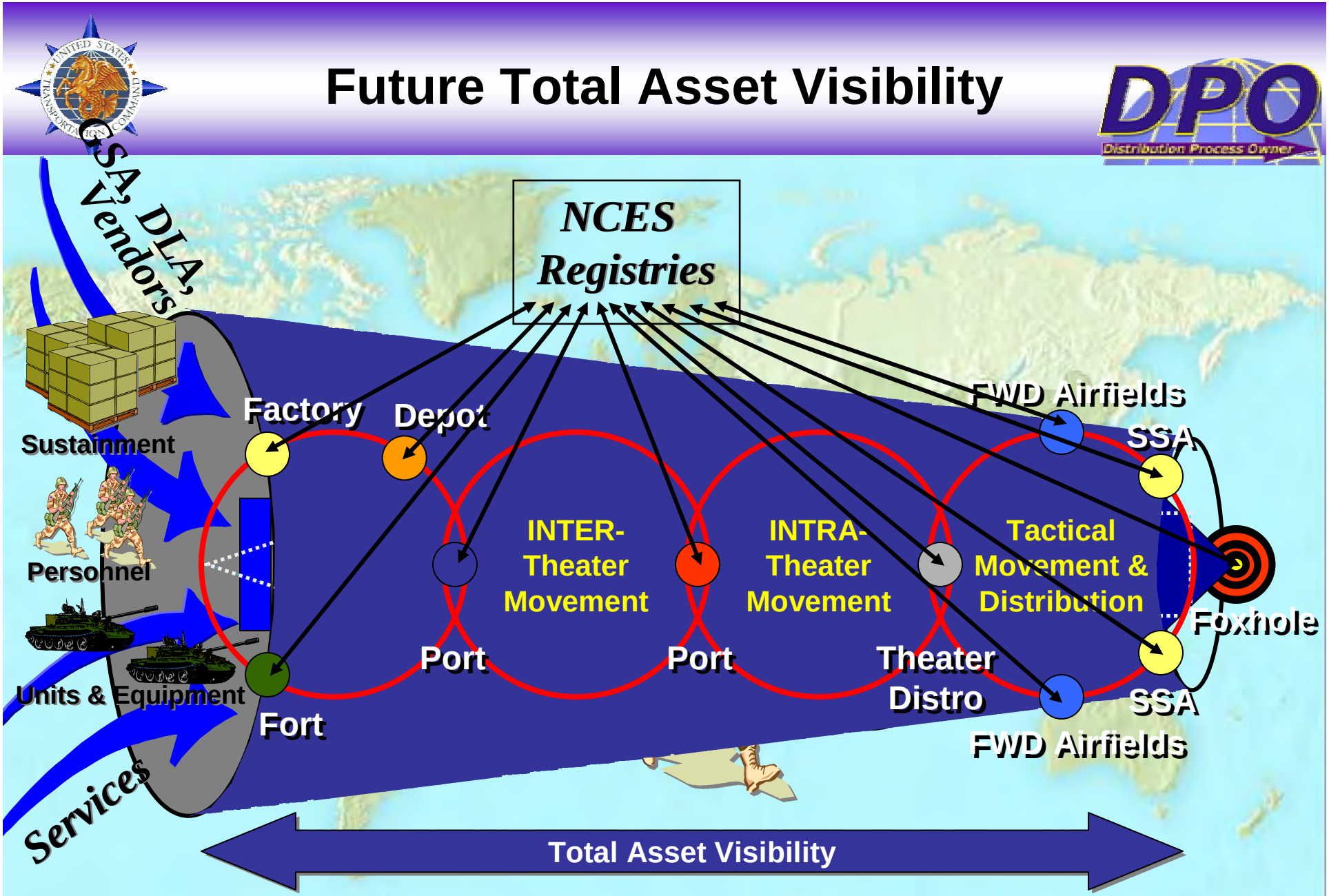
We need to identify our efforts to effectively develop, integrate and implement logistics architecture, which will better guide IT investments in distribution, for both sustainment and force movement. Effective this date, D, AT&L (MR) and JS J4 jointly designate TRANSCOM as the Office of Primary Responsibility (OPR) and Portfolio Manager for that subset of logistics systems providing key capabilities in support of Distribution Sustainment and Force movement related activities. The management of this sub-portfolio's success will be led by the

# After DPO Designation
# ...Logistics is a Team Effort!




*Synchronizing Performance is Key to Success*

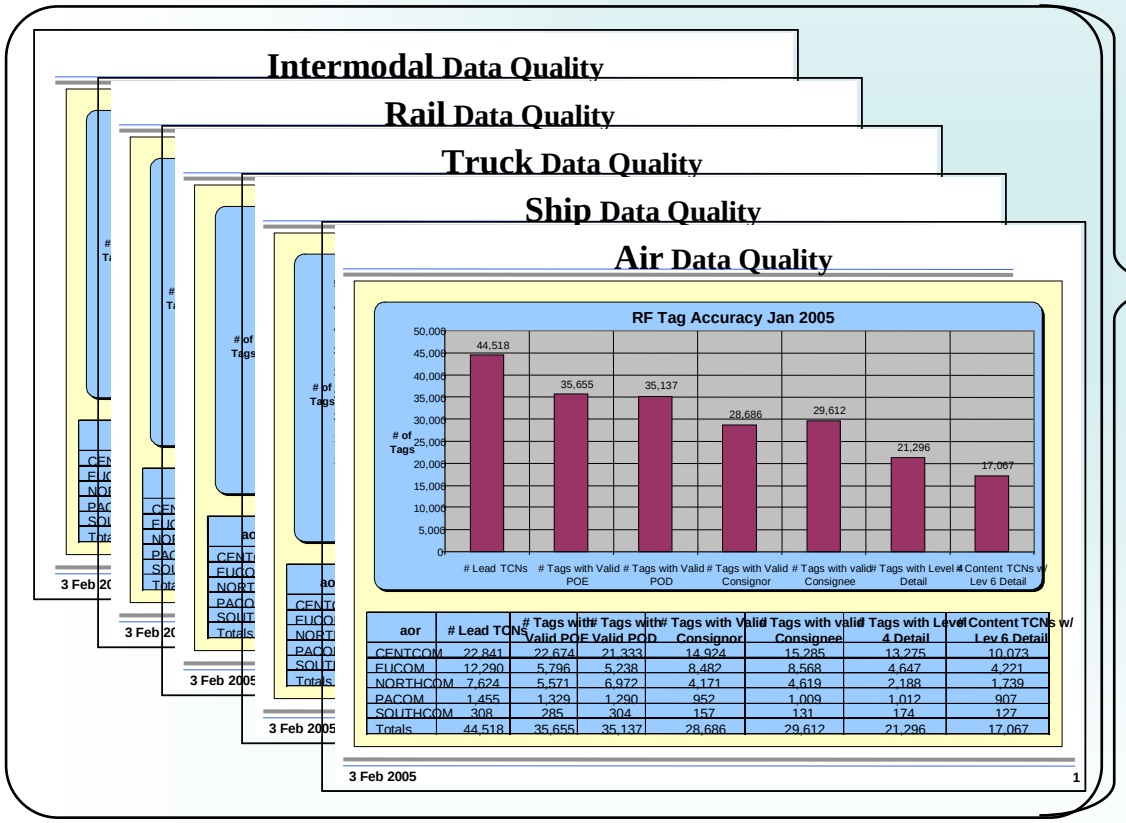
# Future Total Asset Visibility




*Enterprise-Wide Data Accessibility is a DOD Imperative*

# In-Transit Visibility

Where's my stuff?




| aor | # Lead TCNs | # Tags with Valid POE | # Tags with Valid POD | # Tags with Valid Consignor | # Tags with valid Consignee | # Tags with Level 4 Detail | # Content TCNs w/ Lev 6 Detail |
|---|---|---|---|---|---|---|---|
| CENTCOM | 22,841 | 22,674 | 21,333 | 14,924 | 15,285 | 13,275 | 10,073 |
| EUCOM | 12,290 | 5,796 | 5,238 | 8,482 | 8,568 | 4,647 | 4,221 |
| NORTHCOM | 7,624 | 5,571 | 6,972 | 4,171 | 4,619 | 2,188 | 1,739 |
| PACOM | 1,455 | 1,329 | 1,290 | 952 | 1,009 | 1,012 | 907 |
| SOUTHCOM | 308 | 285 | 304 | 157 | 131 | 174 | 127 |
| Totals | 44,518 | 35,655 | 35,137 | 28,686 | 29,612 | 21,296 | 17,067 |

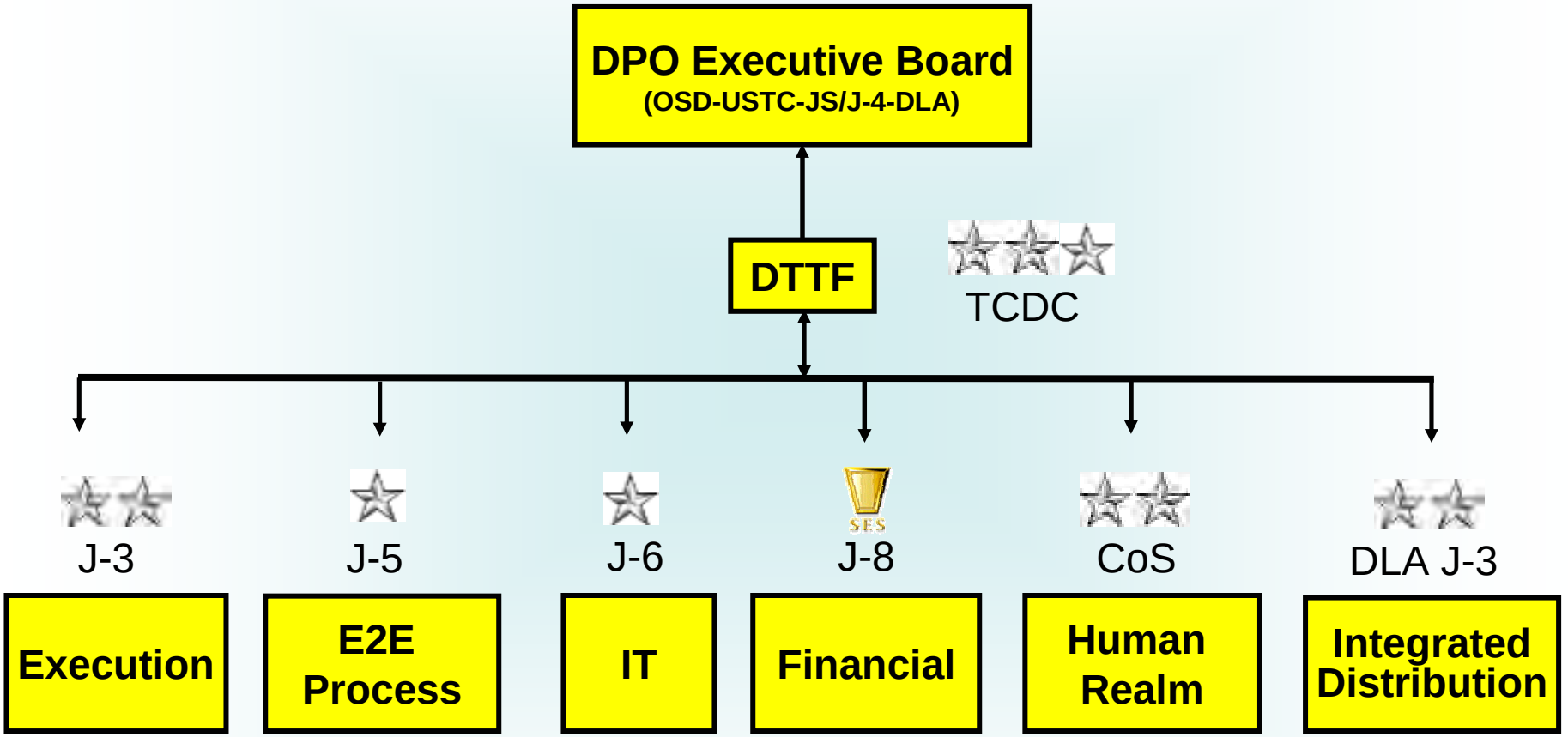
## Data Quality Problems Plague all Modes of Transport

- We need your help!
- Still too much GIGO
- Perishable Data
- Cascading Impact
- Where ~~was~~ IS it?

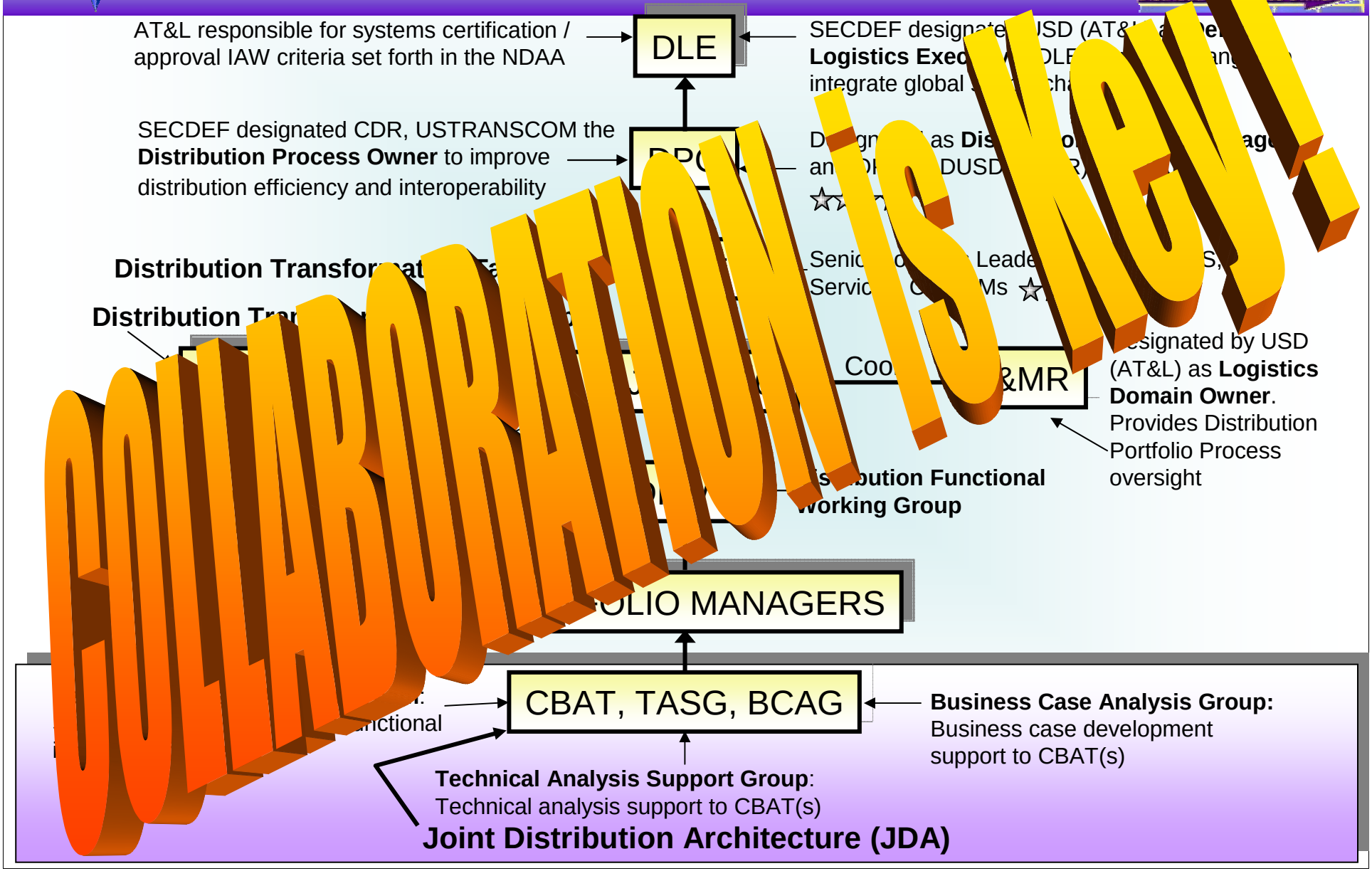
# DPO

# Questions?

# Managing Process Improvement



# Distribution Portfolio Management Governance




COLLABORATION IS KEY!

# 21st National Logistics Conference

## Operational Logistics Information Technology Industry Panel

3 March 05

# Panel Objective

## Scratch your itch…

# The Team

**Lt Gen Jack Woodward, USAF (Ret.) – Director of Business Development for Accenture**

**Larry Scheuble, Vice President, Logistics Solutions, CSC**

**Maj Gen John Barry, USAF (Ret.), Vice President, SAP for Defense Security**

**Michael Finn, Senior Vice President, Government Solutions, EDS**

**Daniel Porter, Senior Vice President, Division Group Manager, CACI**

# “Incentivizing” Industry – What Makes Us Tick

Rockwell Collins

# Maintaining a Customer Focus

## Success

- **When our Customers Experience**
  - Higher levels of system readiness
  - A total system support solution
  - Performance guarantees
- **When our Shareholders Receive**
  - A fair return on their investment
- **Created When We Offer**
  - Operational excellence through Lean
  - Total Service Solutions through single-stop-shop
  - Customer Integration

It's All About the War-Fighter

Rockwell Collins

# Demonstrating a Passion for Customer Service


## Value Designed Around our Customer

### Solutions that Provide:

- Performance Based Guarantees
- Supply Chain Management
- Complete Logistics Support
- Worldwide repairs management
- Predictable Support Costs

### Leveraging:

- Industry Best Commercial Practices
- Passion for Lean
- Existing Infrastructure and Support

### Partnering:

- Working with DoD Labor Force
- Leveraging Each Others Talents
- But maintaining single point responsibility

Rockwell Collins

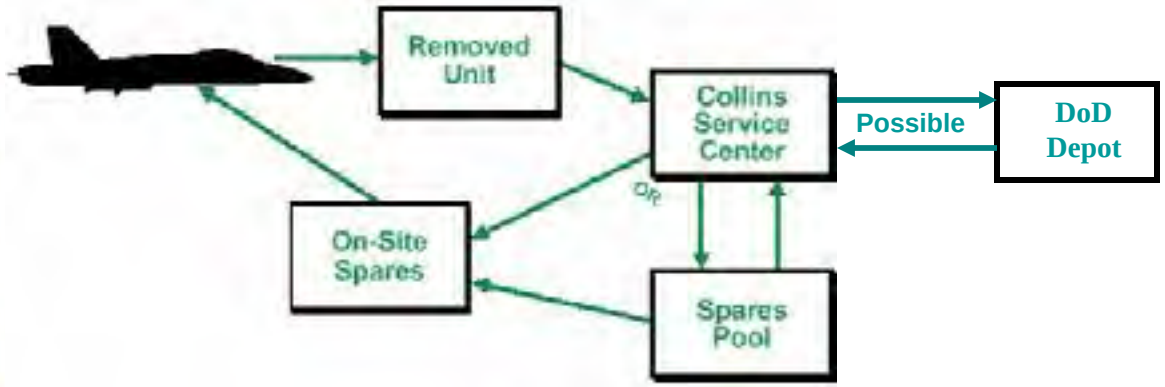
# Providing Performance Guarantees

**PBL Includes:**

- Distribution Managed by Collins
- Inventory Managed by Collins
- Component Repair and Overhaul by Collins
- Component Reliability Management by Collins
- Availability Guaranteed by Collins
- One Monthly Invoice

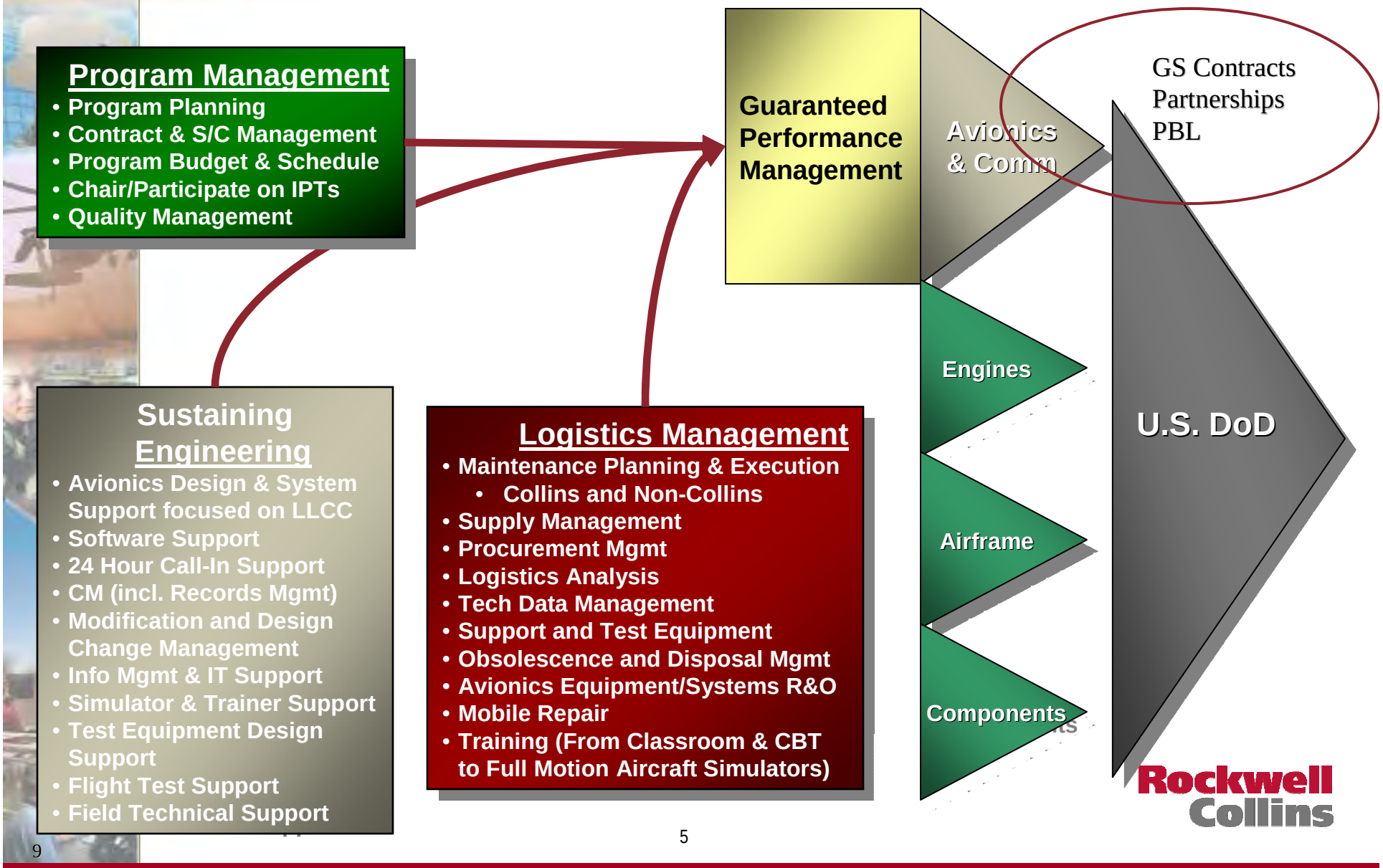
Service Level Guaranteed by Collins

**"Fixed Price" Logistics Support with Performance Guarantee**

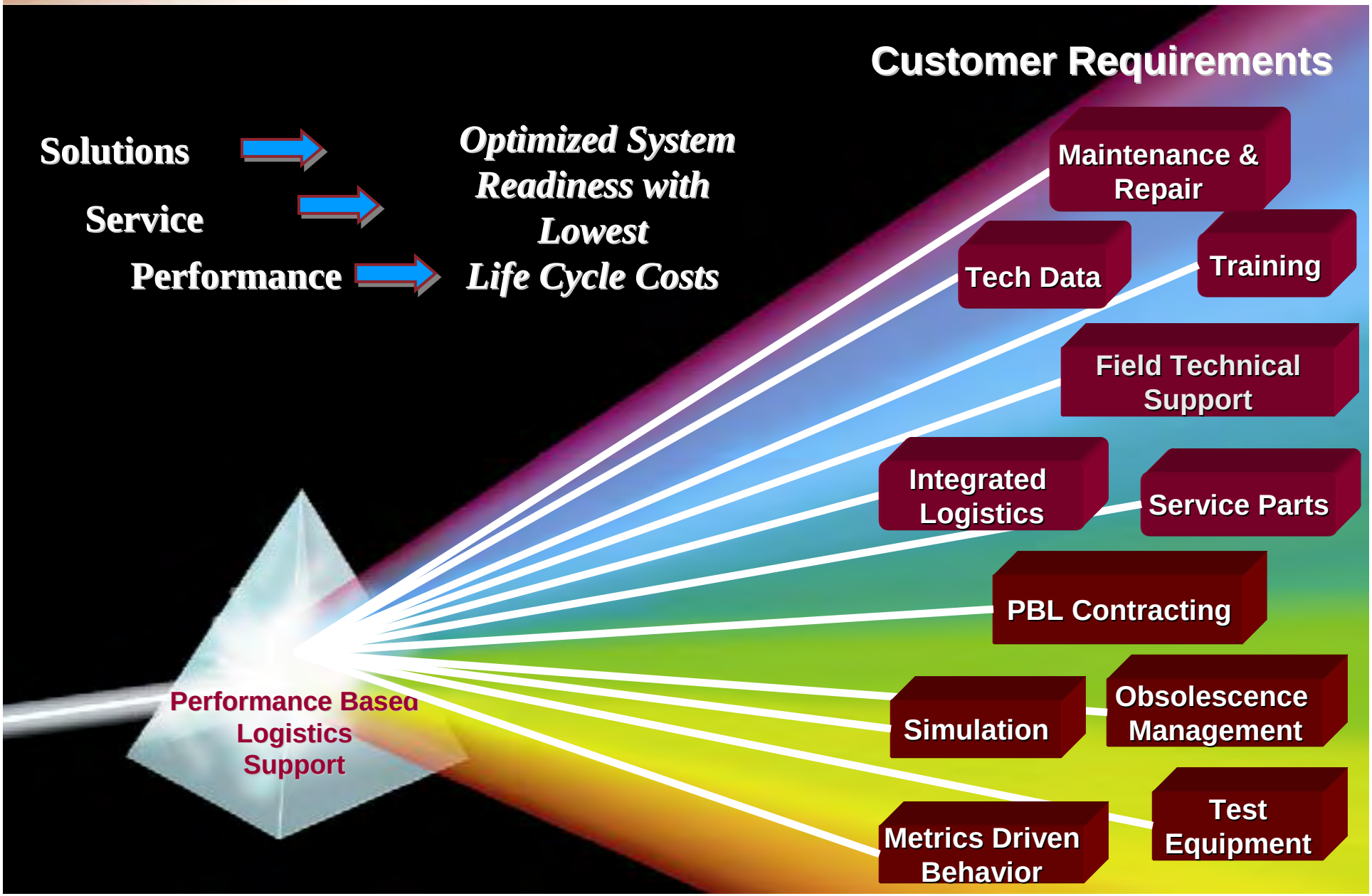



Rockwell Collins

# Sustaining the Warfighter with Performance Guarantees



# Customer Requirements, Industry is Incentivized to Achieve



# PBL Transitions Services Business Model

Pay For Failure

Transitioning

Pay For Success

| Past | Future State |
|---|---|
| Failure Response | Operational Availability |
| Reactive | Proactive |
| Inconsistent | Zero Variability |
| Rigid, Inflexible | Agile, Reconfigurable, Customized |
| Unresponsive, Unavailable | Responsive, Available, Customer-Centered |
| Price | Value |

Rockwell Collins

# Success Demonstrated – The Metrics Show It

Optimized System Readiness and Shareholder Value

- **USN ARC-210 PBL Program**
  - Program size
    - Supports 1,859 Aircraft
    - FFP per Hour
  - Transfers Risk to Contractor
    - Performance Guarantees
    - Parts Obsolescence Monitored
    - Contractor Incentivized for Reliability Improvements

- **USCG HH-65 PBL Program**
  - Program Size
    - 96 HH-65's (30 LRU's), 28 Falcon Jets (45 LRU's)
    - FFP per Hour
  - Benefits
    - Mission Readiness Improvement
    - Supply Chain Times Reduced

***Long-Term Partnerships For Success***

Rockwell Collins

# Summary – Industry Has Incentives, And the War-Fighter Benefits

From a Government Perspective,

- DoD demands for more that just a reliable supplier
- Looking for a partner to help manage support of weapon system
  - For the entire Life Cycle
- PBL allows both Customer and contractor to benefit
- PBL Partnering with Depots Can Combines best of both worlds

From an Industry Perspective,

- When a PBL Contractor Performs Well, Award Him More Contracts
- Long-Term Contracts Allow Contractor Investments
  - Higher MTBF's are good for shareholders – and the warfighter
- Depot partnerships require executive level DoD sponsorship
  - Business Case Analysis are not easy

Rockwell Collins